

GENERAL INTERIM REPORT

OF THE

HOUSE SELECT COMMITTEE ON LOBBYING ACTIVITIES

HOUSE OF REPRESENTATIVES

EIGHTY-FIRST CONGRESS

SECOND SESSION

CREATED PURSUANT TO

H. Res. 298



OCTOBER 20, 1950.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1950

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Union Calendar No. 1085

81ST CONGRESS } 2d Session }	HOUSE OF REPRESENTATIVES {	REPORT No. 3138
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OCTOBER 20, 1950.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BUCHANAN, from the Select Committee on Lobbying Activities,
submitted the following

INTERIM REPORT

[Pursuant to H. Res. 298]

GENERAL INTERIM REPORT

The House Select Committee on Lobbying Activities was created pursuant to House Resolution 298 of the Eighty-first Congress, first session. This resolution provided:

Resolved, That there is hereby created a Select Committee on Lobbying Activities to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote, or retard legislation; and (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation.

The committee may from time to time submit to the House such preliminary reports as it deems advisable; and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Transmitted herewith is the select committee's general interim report on its study and investigation to date.

I. BACKGROUND OF THE INVESTIGATION

Every democratic society worthy of the name must have some lawful means by which individuals and groups can lay their needs before government. One of the central purposes of government is that people should be able to reach it; the central purpose of what we call "lobbying" is that they should be able to reach it with maximum impact and possibility of success. This is, fundamentally, what lobbying is about.

At first glance, it might appear that lobbying is the most thoroughly investigated and completely understood area of American politics. Actually, however, quite the reverse is true. Although committees of Congress have conducted spectacular investigations of lobbying activities on three other occasions in the past forty years, the true extent and cost of large-scale lobbying and its proper place in our representative system remained to be charted. This is less the fault of these earlier investigations than it is of the fact that the scope of lobbying is constantly expanding. Lobbying is not generally understood because it evolves too quickly for periodic congressional investigations to keep fully apace of it. As a result, public understanding of the problem is

inevitably in arrears, and the interest which congressional investigations first generate soon lapses into indifference. This is basically what has happened since 1935 when the last major inquiry was held; public interest has waned and lobbying has quietly come of age.¹ It is to this situation that our investigation has been addressed. We have sought to catch up with lobbying as it is today.

Certain aspects of lobbying's recent development were particularly responsible for the creation of this committee in August 1949. Primary among these was the fact that the sheer weight of group pressures had increased enormously during and subsequent to the Second World War, reaching an unprecedented peak during the Eightieth Congress. In a very real sense, the impact of war solidly established lobbying as a major industry. Our national effort, entailing as it did far-reaching controls over the entire economy, prompted a hitherto unequalled mobilization of group interests of every conceivable kind. This mobilization was due partly to the necessity of organizing to meet the Nation's needs, and partly to a desire for protection and subsidy from a government which had these things within its power to give or to withhold. In either case, the important result was a marked increase in the number of organized groups having an active and continuous interest in shaping public policy to their own ends.

Not only was there a sharp increase in the number of groups intent on influencing government, but their effort was also more intense, more diversified, and more effectively financed than it had ever been before. Here again, the impact of the war was basic; for with profits, wages, and taxes running at unprecedentedly high levels it was nothing more than good business to spend freely to protect one's self from adverse legislation or administrative rulings—particularly when the costs were chargeable to "operating expenses." Companies, sometimes with nothing to sell, turned to institutional or editorial advertising in order to keep their names before the public, and, at no added cost, to present their views on labor legislation, public housing, or some other legislative issue. Contributions to "educational" leagues and foundations of every imaginable political color mushroomed. The entire pattern of pressure politics took on new dimensions during the war, and it has retained them ever since. By 1948, when the demand for this investigation began to mount, more groups were spending more money on more subtle methods of influence than at any previous time in our history. This heightened level of lobbying activity was primarily responsible for the establishment of this committee. The President, Members of Congress, various sections of the press, and thoughtful citizens agreed that lobbying had assumed new and unusual proportions, and that a thorough airing of the situation was urgently needed.

A second factor underlies our investigation and, we believe, sets it apart from earlier congressional inquiries in this general area. This is the first time that a congressional investigation of lobbying activities has been conducted within the context of a going system of registration. The passage of the Federal Regulation of Lobbying Act in 1946 and subsequent experience under this act have served to direct considerable attention to lobbying, and as a result of the

¹ A recent poll conducted by the American Institute of Public Opinion indicates that fully 45 percent of a representative cross section of the public are unable to identify the term "lobbying." *Public Opinion Quarterly*, vol. 13 (fall 1949), p. 552.

act's operation in the last 4 years, there is currently available to Congress and the public a more detailed and systematic picture of group pressures than at any time in the past.

Ever since the act became effective, however, repeated questions have been raised as to its meaning and coverage. Numerous lobbyists and lobbying organizations have claimed that the act abridges their right of petition. Under the circumstances, of course, such allegations must be treated with suspicion. To other observers without any personal stake in the matter, the act is a well-intentioned first step which should be strengthened and made more effective. Two basic questions stand out above this conflict of views: first, to whom and to what practices does the Lobbying Act extend; and, second, of what value has the act been, of what value can it be as an instrument of enlightened public policy? To find definitive answers for these questions was one of this committee's major responsibilities.

II. SCOPE AND PURPOSES OF THE INVESTIGATION

The purposes which have guided this committee's entire investigation are set forth in general terms by the enabling resolution. We were directed to "study and investigate all lobbying activities," by private persons and groups and by agencies of the Federal Government, "intended to influence, encourage, promote, or retard legislation."

We have, in the first place, sought to canvass as thoroughly and as broadly as possible efforts by both public and private agencies to influence the determination of public policy. We have directed this canvass along four principal lines:

1. The number, identity, and interrelationships of those groups and persons actively attempting to influence legislation.
2. The amounts and kinds of expenditures made by these groups and persons in attempting to influence legislation.
3. The ways in which funds expended for these purposes are solicited, and the sources of these funds.
4. The techniques of influencing legislation, directly and indirectly.

In the light of this factual analysis, the committee has sought also to determine whether or not the Federal Lobbying Act is fulfilling the purposes for which it was enacted in 1946. Our investigation sought to discover whether disclosures made pursuant to the act reveal the realities of pressure group operation, or whether the scope of the act is too modest to yield truly vital information. The committee undertook to propose whatever changes in the act might be necessary to accomplish its present purposes, or such other purposes as the committee might deem more valuable or realistic as a consequence of its investigation.

We have also sought to obtain facts relative to lobbying activities by officers and employees of the Federal Government, and to the various statutes which subject such activities to certain restrictions.²

The committee felt that its final and perhaps most important responsibility was to analyze in an objective and meaningful way the relation of large-scale lobbying in all of its ramifications to the long-run maintenance of our treasured representative system of govern-

² E. g., 18 U. S. C. sec. 1913; 5 U. S. C. sec. 54.

ment. In our view, this is the ultimate problem which large-scale lobbying raises. As stated above, one of the central purposes of government is that people should be able to come to it; in our system, lobbying has been a principal means by which this could be done. But at the same time it is important to ask whether our kind of popular government can indefinitely absorb the impact of an inherently expansive system of organized pressure; whether we can continue to afford the social cleavages, the clusters of private power of which this mounting pressure is both cause and symptom. This is no abstruse problem in political theory. The way in which these questions are resolved is the key to our institutional future.

In sum, then, we have during our investigation tried to compile a catalog of basic fact about lobbying—what it is, what it costs, and whom it serves. From these facts, we have tried to perceive the meaning of lobbying as it relates to the deeper tendencies of our time.

III. THE PROCEDURE OF THE INVESTIGATION

The task assigned this committee by House Resolution 298 was extremely broad. To translate this task into a working program, the committee was forced to abandon from the very outset any thoughts of holding open hearings or conducting staff investigations on all of the thousands of groups active in influencing legislation. A work of this scope would require infinite time, patience, and money, and the services of six select committees working in relays.

There were, however, two practical alternative approaches, and the committee has utilized each of these wherever they were most appropriate. On the one hand, we have investigated some areas broadly, without reference to particular groups or issues. Our first series of open hearings, devoted to a general analysis of the role of lobbying in representative self-government, is illustrative of this approach. On other occasions, more intensive investigation into specific areas of lobbying activity was necessary. Thus we devoted several weeks to hearings on the housing lobby, during which time we heard from representatives of a number of typical groups active on both sides of such issues as public housing and rent control. Similarly, in our investigation of organized efforts to stimulate grass-roots pressure on public issues, we took detailed testimony from numerous groups of completely divergent political coloration, all of which were active in the field of lobbying under consideration. By combining a broad approach to the general problem of lobbying and a detailed approach to particularly important issues and techniques, the committee feels that it has covered the area assigned to it as thoroughly as limitations of time and money permitted.

Months of investigative spadework preceded the open hearings, and this period of research enabled us to question witnesses on the basis of exhibits and staff reports prepared in advance, thereby saving time and obviating needless fishing for information. It also provided material for a number of interim reports.

We have tried to avoid the scattered effort which marred several earlier investigations and the extremes of concentration which limited the breadth and effectiveness of several others. Above all, we have striven to be fair, objective, and impartial, and we believe that we have succeeded in this effort. Neither this committee nor any of its mem-

bers had any commission to "get" or to "whitewash" any group or individual. We have not probed the opinions or ideas of any of the persons who have come before us. This was not our function. Our only function and our only effort has been to get the full facts about lobbying as it exists, without reference to the personalities or interests involved. These facts are more than important; they are vital, and both the Congress and the American people are entitled to have them. The illustrative materials included herein are typical of the facts as we found them. We have not sought to make a case but to present the truth. We think that it speaks and speaks eloquently for itself.

IV. LOBBYING BY PRIVATE GROUPS AND INDIVIDUALS

(a) *On defining lobbying.*—The term "lobbying" has been in common usage for approximately 100 years, and has been given many definitions. In the 1870's and 1880's, "lobbying" meant direct, individual solicitation of legislators, with a strong presumption of corruption attached. The lobbying of the 1880's demanded this kind of definition; the lobbying of today demands something quite different. Unfortunately, most present-day definitions are both inaccurate and unrealistic; they generally fail to recognize that modern pressure on legislative bodies is rarely corrupt, that it is increasingly indirect, and largely the product of group rather than individual effort. With these limitations, the ordinary definition of lobbying provides an unsatisfactory basis for either congressional inquiry or statutory regulation.

Numerous State laws continue to define lobbying as "personal solicitation not addressed solely to the judgment" of legislators,³ or as attempts to secure money on the claim or pretense of being able to "improperly influence" them.⁴ In other States, definitions of lobbying as "bribery, promise of reward, intimidation, or any other dishonest means" of attempting to influence legislators still remain on the statute books or in State constitutions.⁵

The discussion of lobbying in *Corpus Juris Secundum* is based on an equally narrow view of the subject:

The term "lobbying" has a well-defined meaning in this country, and signifies to address or solicit members of a legislative body in the reception hall or elsewhere with the purpose of influencing their votes. Presentation by argument in a public and legitimate manner of the injurious effect proposed legislation will have on a particular business does not constitute lobbying.⁶

Dictionary definitions are similarly limited in scope. Webster's New International tells us that lobbying is "to address or solicit members of a legislative body in the lobby or elsewhere, as before a committee, with intent to influence legislation." With the passage of the Regulation of Lobbying Act in 1946, numerous groups and persons claimed this kind of definition as their own in an effort to escape full disclosure under the act. The National Association of Manufacturers typically maintained that in passing the act Congress had only intended to reach and include:

* * * activities which seek more directly and specifically to secure the support or opposition of individual Members of Congress toward legislation actually

³ E. g., Code of Georgia, Annotated (1936), sec. 47-1001.

⁴ E. g., Utah Code, Annotated (1943), sec. 103-26-26.

⁵ E. g., Constitution of California, art. IV, sec. 35.

⁶ *Corpus Juris Secundum*, 64: 659.

pending in either House. Such an interpretation, in addition to avoiding constitutional questions, is more nearly in accord with the general concept of "lobbying."¹

The NAM followed this "general concept of lobbying" to its logical conclusion by reporting on only the 1.97 percent of its 4.3 million dollar budget which the association conceded should be charged to "legislative activities." The association's \$2,000,000 public relations program was claimed to be totally unrelated to legislation, and no part of it was reported under the Lobbying Act. Yet this is the same NAM whose president told a Senate committee in 1946 that his organization had spent \$395,850, "largely on advertising," in its campaign to abolish OPA.

And so goes the refrain from group after group after group: "Millions for 'education' or 'public enlightenment,' but not 1 cent for lobbying—as we define it." If this committee had followed the lobbyists' definitions of lobbying, we would have had relatively little to investigate.

As noted above, our investigation started with an existing lobbying law on the books. The framers of that statute, The Federal Regulation of Lobbying Act² did not use the word "lobbying" anywhere in the act except the title. Instead, they referred to attempts to influence the passage or defeat of legislation for pay or any consideration. Our Committee regards all such attempts as "lobbying" and has generally so used that word during our investigation.

In the final analysis, there are only two practical gauges of lobbying activity—intent and some substantial effort to influence legislation. The means employed are secondary, and any attempt to define lobbying by listing specific methods of influence is inevitably and almost immediately out of date.

These criteria do not define lobbying, but they do set forth the essential conditions without which lobbying does not exist. We feel that these are the only criteria inclusive enough to span the entire present system of pressure politics. They are the only criteria which would have enabled this committee to lay the full facts before Congress and the people.

We firmly believe that, in any inquiry into the process of influencing the passage or defeat of legislation, it is important to utilize a functional approach. Variations in bookkeeping technique or the mere self-serving application of labels by special interest groups should not be permitted to conceal the true nature of their activities. The thing that is most significant in attempts to influence legislation is the expenditure of money, whether it be used for direct contact of legislators, direct communication with legislators, or in efforts to stimulate grass-roots pressure so that members of organizations and members of the general public will communicate with legislators in support of a particular legislative program.

(b) *The extent of lobbying activity.*—Whether defined narrowly or broadly, lobbying is extremely difficult to measure objectively. The members of this committee knew, as all Members of Congress cannot help but know, that lobbying in the past few years has become more widespread and intensified than at any other time in our history. We recall the Taft-Hartley issue, OPA, rent control, public housing, and

¹ NAM statement to the Clerk of the House, April 29, 1948.

² U. S. C. secs. 201-270.

a whole host of other recent issues which have been the subjects of terrific pressure campaigns. We knew then as we know now that intense efforts and many millions of dollars were expended in connection with these measures; but these are things which cannot be computed with mathematical precision.

A few useful gages of the extent and cost of lobbying are available, however. Primary among these are the sums reported and registrations made under the Federal Lobbying Act since 1946. The following analysis summarizes the quarterly reports of lobbying contributions and expenditures filed by organizations and groups pursuant to section 305 of the act.

Analysis of reports filed under sec. 305 of the Federal Regulation of Lobbying Act

Quarter	Number filed	Original filings ¹	Quarterly contributions	Quarterly expenditures
1946:				
Thrd.....	40	-----	\$446,049.21	\$729,377.81
Fourth.....	92	-----	1,166,686.41	1,567,903.40
Total.....	138	99	1,612,735.62	2,297,281.21
1947:				
First.....	157	-----	3,724,022.43	1,370,021.02
Second.....	157	-----	4,503,358.81	2,520,692.48
Thrd.....	142	-----	3,066,790.37	1,398,351.77
Fourth.....	185	-----	3,470,668.65	1,679,930.91
Total.....	642	152	14,825,440.26	6,969,807.08
1948:				
First.....	237	-----	3,334,559.06	1,973,250.85
Second.....	263	-----	3,469,780.51	1,910,837.41
Thrd.....	217	-----	3,920,903.86	1,029,349.06
Fourth.....	254	-----	7,662,565.59	2,331,231.54
Total.....	971	146	18,387,869.02	7,844,668.86
1949:				
First.....	290	-----	18,896,775.22	2,294,897.38
Second.....	201	-----	4,541,140.69	2,382,031.63
Thrd.....	272	-----	3,162,810.32	2,670,434.60
Fourth.....	274	-----	3,765,705.84	2,972,307.04
Total.....	1,127	98	20,366,604.07	10,319,670.65
Grand total.....	2,878	405	55,195,548.97	27,431,517.80

¹ Includes amounts contributed and expended in previous quarters but not theretofore reported.

² Groups filing reports for the first time.

More than \$20,000,000 has been reported under another section of the Lobbying Act (sec. 308) for the same period. Most of this amount is not included in the figures in the table above.

Seventy-five million dollars for 3½ years of lobbying is a large and impressive sum but it does not begin to reflect all that is actually collected and spent in efforts to influence legislation. Many groups submit only fragmentary reports in which they omit the costs of publications, public relations, and advertising directly related to public issues. The National Association of Home Builders, for example, has not reported the costs of its public relations program which it estimates has aggregated \$250,000 in the past few years. Many more groups do not report at all, taking the position that they are exempted by the "principal purpose" clause of the Lobbying Act, or that their agent's registration relieves them of the responsibility of reporting. Witness the fact that the 2,878 quarterly reports

were submitted by only 495 groups, a fractional proportion of the permanent national organizations which are vitally interested and continuously active in seeking to shape public policy.⁹ In still other cases, a national organization, such as the National Association of Real Estate Boards, or Americans for Democratic Action, will file reports while the State and local adjuncts will not, this despite the fact that legislative operations on the several levels are inseparably meshed. Many other types of nonreporting and partial reporting under the Lobbying Act could be added.

In sum, these reported figures give us a very incomplete picture of the realities of lobbying. To accept this picture as complete would be equivalent to saying that no money is gambled on horse races other than that paid through the pari-mutuel windows in the 27 States which have legalized such gambling. If the full truth were ever known, this committee has little doubt that lobbying, in all its ramifications, would prove to be a billion-dollar industry. This figure is not offered in an effort to shock the complacent but as a sober estimate. Consider the costs of letter and telegram campaigns; the thousands of pages of institutional advertising; the purchase and distribution of millions of highly charged books and pamphlets on public issues; the salaries of executives, lawyers, and publicists; the operating budgets of all the thousands of organizations throughout the Nation whose central purpose is to influence what Government does—all of these costs and many more are chargeable to lobbying, whether we like the word or not.

In the same sense that filings under the Lobbying Act grossly understate the number and expenditures of pressure organizations, so too do individual registrations fail to reveal the actual number of persons actively engaged in seeking to influence the governmental process. Over 2,000 persons have registered as lobbyists since 1946, but in many cases these registered lobbyists are merely Washington representatives for national organizations having large, well-paid staffs throughout the country. For example, the CIO national organization has only four registered lobbyists, and the American Medical Association has only seven. Once again Congress and the people are not in full possession of the facts.

Although no exact conclusions are possible as to the number of lobbying organizations and lobbyists, or as to the money which they expend to influence legislation, filings under the Lobbying Act do yield an indication of which groups are mounting the most insistent and well-financed pressure campaigns. This picture varies, of course, from one year to the next, depending somewhat on the issues at stake. In 1949, for example, the American Medical Association led all other registered groups by reporting lobbying expenditures of \$1,522,683; but organized business and business-supported groups reported total disbursements of \$4,141,480. Of the 35 organizations which reported lobbying expenditures of over \$50,000 in 1949, 22 were purely business or trade groups and 2 others derived almost their entire support from corporate or business contributions.

So far as reported expenditures for lobbying are concerned, organized business far outspends other interests. This fact, however under-

⁹ W. B. Graves lists 1,800 permanent national organizations. See W. B. Graves, *Administration of the Lobby Registration Provisions of the Legislative Reorganization Act of 1946* (Washington, Government Printing Office, 1950). The new Department of Commerce list includes 4,000 organizations. Jay Judkins, *National Associations of the United States* (Washington, Government Printing Office, 1950), p. 634.

standable, points to a situation which tends to undermine the props on which American thinking about lobbying has traditionally rested. We believe lobbying to be every man's right. But some men are more able to make their rights meaningful than others. In practical terms, this has meant that those interests with the most to spend for protection have proclaimed "lobbying for all men" as an almost sacred article of faith. It is not unlike the elephant shouting "Everybody for himself," as he stomps up and down among the chickens.

The pressure potential of American business is all the more strikingly illustrated by the replies to an inquiry which the committee addressed to approximately 200 corporations, labor unions, and farm groups. The information contained in these replies is the subject of separate committee reports.¹⁰ The following table is a summary of the corporation respondents' expenditures relating to efforts to influence legislation directly and indirectly during the period January 1, 1947; to May 31, 1950:

Nature of expenditure	Number of corporations listing expenditures	Amount expended
Travel to Washington.....	66	\$227, 256. 02
Maintenance of Washington office.....	7	340, 807. 65
Distribution of printed matter.....	65	382, 679. 77
Printing costs.....	65	1, 811, 839. 24
Advertising.....	31	2, 013, 369. 72
Contributions.....	125	20, 041, 452. 57
Other.....	37	406, 787. 27
Total.....		32, 124, 835. 38

This total dwarfs the \$776,466.07 reported under the Lobbying Act by those 37 of the respondents that file reports. The pressure groups continue to receive large contributions, but increasingly the great corporations are mounting their own major lobbying efforts.

(c) *Money for lobbying.*—The late Senator Thaddeus Caraway once stated that 90 percent of the groups represented before Congress were what he called fake organizations, groups which consisted of little more than a letterhead and a promoter busily engaged in lining his own pockets. While this estimate may have been accurate at an earlier time, it is not in accord with the present realities. Soliciting money for lobbying is much more than a device by which a few imaginative opportunists can gull the unwary. Lobbying is an important and usually an honest business, and it is a business which runs on money.

The means by which groups raise funds for lobbying are infinitely varied but there are two general patterns which cover the fund-raising activities of most lobbying organizations. The first might be called "orthodox" solicitation, largely because it conforms to standard practice among the well-established, membership groups. Labor unions, trade or business associations, farm groups, veterans' groups, and professional societies are typical membership groups, that is, groups where membership rests on the basis of occupation, profession, service, or

¹⁰ See reports titled "Expenditures by Corporations To Influence Legislation;" "Expenditures by Labor and Farm Groups To Influence Legislation."

trade. Fund-raising by these organizations is usually simple and straightforward. Membership dues are ordinarily the largest source of funds, and are assessed at the rate of X dollars a year, as they are by most organizations in this category, or they may be assessed according to a standardized sliding scale. The Association of American Railroads, for example, charges dues proportionate to the traffic volume of each member road. Income from subscriptions to house journals and sales of other literature is also a dependable, although usually a modest source of funds.

Frequently, particular legislation demands intensified group effort, and inevitably, more money to sustain it. This is a time for special levies for what the press has called war chests. Thus in 1949, the American Medical Association waged a heavy and generally successful campaign to obtain \$25, sometimes not without elements of coercion, from each of its 140,000 members in order to support an all-out drive against national health insurance. This kind of tactic is unusual; most groups approach their members without threats. The National Association of Real Estate Boards, for example, uses its local organizations as collection agencies for its special assessments. In a letter dated December 17, 1948, the association's president-elect wrote to presidents of member boards:

We need to know now if your board will support the Realtors' Washington Committee by sending money or by sending in its pledge immediately in an amount equal to \$5 per active member. *How your board raises this money is its own affair.*¹⁴ (Emphasis supplied.)

Actually, most groups do not have to use direct pressure in obtaining funds for the group's lobbying activities, for in most cases the members do not have to be sold on the job that the group is doing for them. They believe in the group and they identify themselves with the group's purposes, even though they have taken no great part in formulating them. Most members do not have to be pressured for contributions; they give freely and enthusiastically not only of their money but often of their time and effort as well. Once a group has convinced its members, raising money is fairly simple.

Membership dues form only a small part, if any, of the funds raised by another type of lobbying organization—the "leagues," "foundations," and "committees," which have multiplied so rapidly in the past decade. These groups almost universally profess the loftiest of motives, entirely dissociated from the mundane business of lobbying. They "educate," or "preserve the Constitution," or preach "the fundamentals of the American way of life." In the process, they obtain millions of dollars from sources other than membership dues.

While the labor union or trade association has a specific membership on which it can draw, the foundation or committee seldom has this kind of continuous support. Under these circumstances, it is not surprising to find that the foundation's major fund-raising efforts are directed at those who have the most to give. Lacking a dependable, dues-paying membership, the tapping of individuals and corporations for sizable donations to the cause becomes the first order of business. The foundation or committee gladly accepts each \$5 contribution from a sincere believer, but its operations are largely geared to the donor who can give a thousand \$5 contributions at once.

¹⁴ Hearings, pt. 2, Housing Lobby, exhibit 6, appendix p. 530.

This heavy reliance on large contributions is especially marked in connection with the circulation of literature bearing on public issues. In the foundation's scheme of things, this literature is far more important than it is to the orthodox pressure group. To most trade associations or labor unions, the circulation of house journals, pamphlets, books, and reprints is merely a useful incident to the group's work and is seldom a source of support or profit. To the foundation or committee, however, the dissemination of literature is both the reason for the group's existence and a primary means by which it exists.

The following data on the Committee for Constitutional Government indicate to what extent receipts for the distribution of literature constitute the financial backbone for organizations of this kind:

1. From August 1946 through June 1950 the committee's total income was \$2,327,709.03.

2. Of this sum, \$1,372,047.78, or 59 percent, was derived from contributions for the distribution of books and other literature.

3. A quarter-by-quarter analysis of these figures indicates that such contributions constitute an increasingly large part of the committee's income. For the first two quarters of 1950, for example, contributions for the distribution of literature had mounted to \$338,507.54, or 70 percent of the committee's total receipts.

We shall comment later on the size and content of this literary output; what concerns us here is the way in which the printing and widespread distribution of this material and that of similar groups is financed. As we have already indicated, the role of the large contributor in this effort is vital. Merwin K. Hart of the National Economic Council has devised a method whereby large contributors can sponsor hundreds of subscriptions to council publications and at the same time enjoy that deep satisfaction which can come only to those who have made a tax-deductible gift to a charitable or religious institution. The details of the scheme are set forth in a letter from Mr. Hart to Mr. Lammot du Pont, dated March 7, 1947:

We have devised a plan that should greatly widen the list of readers of our council publications and strengthen us financially.

We have had legal opinion (I enclose copy) to the effect that a purchase by anybody of subscriptions to council publications to be sent to educational and religious corporations is a gift that is deductible before taxes. Furthermore, as such a gift, it may be for any amount not limited by the \$3,000 gift tax.

We are already receiving subscriptions along these lines. We have compiled a list of colleges and universities, public libraries and Protestant churches in many sections of the country, and we are going to press this in the hope we can eventually place these publications of ours in the hands of all of these organizations throughout the country. That would be of inestimable help.

We have already covered the States of Michigan, Ohio, and Indiana, and most of Illinois, so far as libraries and colleges are concerned, as well as certain other sections.

I write to ask if you would be willing to subscribe for 500 sets of these publications at \$10 each on the above lines.¹³

Mr. Hart's scheme apparently proved to be an attractive one, for the pace of Mr. du Pont's contributions to the National Economic Council was immediately stepped up. The council's records indicate that between March 1947, and February 1950, Mr. du Pont contributed \$31,513 of which \$24,000 was for the endowment of anonymous subscriptions to council publications.

¹³ Hearings, pt. 4, National Economic Council, Inc., p. 76.

We are interested in this device primarily as it reflects a technique of financing mass pamphleteering on public issues. In passing, however, we cannot help but question the propriety of claiming charitable contributions of \$10 each to churches, colleges, and libraries for subsidizing the anonymous mailing to these institutions of political and economic propaganda.

While the National Economic Council has made a particularly vigorous effort to point out to its contributors the tax-saving virtues of large-scale institutional sponsorship of the council's publications, other foundations have achieved similar results by other means. The Committee for Constitutional Government, for example, accepts two types of contributions: (1) Those under \$490, which are accepted for the committee's general fund, or for specific purposes such as defraying the cost of distributing books and pamphlets; and (2) those over \$490, which are accepted only for the distribution of books and pamphlets. Contributions of over \$490 must be so designated or they will be returned.¹³ The "purchaser" may distribute these books, or, more commonly, the committee does. In either case, the committee treats the transaction as a book sale which it does not report as a contribution under the Lobbying Act.

The Committee for Constitutional Government further attempts to stimulate mass distribution of various publications by offering very favorable differential rates to the large contributor. John T. Flynn's *The Road Ahead*, a bitter criticism of the legislative programs of the Roosevelt and Truman administrations, is distributed by the committee at \$1 for the single copy, 70 cents for 2 to 15 copies, 60 cents for 25 to 100 copies, 55 cents for 200 to 700 copies, and 50 cents in lots of 1,000 or more copies. On occasion, the committee has offered the book at even lower prices. As Edward A. Rumely, executive secretary of the Committee for Constitutional Government, wrote to a Member of Congress on February 21, 1950:

Attached herewith are copies of letters we have written to Hugh R. Cullen urging him to finance the distribution of 100,000 copies of *The Road Ahead* to clergymen and educators, and naming the special price of 30 cents per copy, our bare cost.

A letter from you to him emphasizing the importance of this distribution might be extremely helpful.¹⁴

Because of the refusal of the Committee for Constitutional Government to reveal either the names of their large contributors or the amounts of their contributions, we have only fragmentary evidence as to the effectiveness of these bargain-basement tactics.¹⁵ Such evidence strongly suggests, however, that they are highly effective. The Eli Lilly Co., for example, reports having contributed \$25,000 to the committee in 1949. Since a contribution of this size other than for books and pamphlets would, according to the committee, have been returned, we can only conclude that the money was used for the distribution of books and pamphlets. Yet E. A. Rumely testified:

¹³ When asked how many such contributions had ever been returned Edward A. Rumely, executive secretary of the CCG replied: "Maybe a dozen; I can't recall. Probably not over 10 or 15" (hearings, pt. 5, Committee for Constitutional Government, p. 143).

¹⁴ Hearings, pt. 5, Committee for Constitutional Government, p. 442.

¹⁵ On August 30, 1950, the House of Representatives cited Edward A. Rumely for contempt of Congress for this refusal. Congressional Record (daily edition) August 30, 1950, pp. 14071-14092. Joseph P. Kamp, executive vice chairman of Constitutional Educational League, and William L. Patterson, national executive secretary of Civil Rights Congress, also refused to disclose the financial backers of their organizations. They were likewise cited for contempt. Congressional Record, August 31, 1950, pp. 14183-14195; August 30, 1950, pp. 14092-14102.

Last year (1949) we had 22,000 orders for books, averaging \$15 each—80 percent for 1 to 10 copies, a small number for larger quantities.¹⁶

Mr. Rumely's statistics may be correct, but the inferences he draws from them are dubious. For it is precisely the "small number of larger quantities" which has kept the till full and the printer busy. We need hardly point out that \$25,000 will buy 50,000 copies of *The Road Ahead*, as against the 1 to 10 copies to which 80 percent of Mr. Rumely's clients subscribe.

Other foundations appearing before us were far more candid about their sources of support. Dewey Anderson of the Public Affairs Institute, for example, testified:

Your committee has had complete access to the financial reports and books of the Public Affairs Institute, from which your investigators have assembled summary figures available to the committee. * * * From a single principal contributor, the number has grown to 10 in 1949.

* * * * *

The Brotherhood of Railroad Trainmen continues as the donor of the core budget of the institute. No attempt has been made to develop a larger financial support because the effort to date has been to establish a sound working plan for the institute, and only after the trial period has ended will the financial support be broadened.¹⁷

Salient data from another such group, the Foundation for Economic Education, demonstrate equally graphically the dominant role which large contributions play in a foundation's pattern of operations. This foundation typically describes its work as the preparation, publication, and distribution of "educational" pamphlets and booklets "which deal with economic issues and matters in the field of political science."¹⁸ The chart below indicates the various sources from which it derived funds for its first year's activities:

Operating receipts, March 1946 to March 1947¹

Source	Number of contributions	Amount	Average
Other foundations.....	5	\$55,760.00	\$11,150
Business firms.....	57	181,535.00	3,185
Individuals.....	297	16,440.17	55
Teachers, clergymen, students.....	50	170.00	3
Institutions.....	6	475.63	79
Total.....	421	254,376.70	604
Outright sales of literature.....		15,321.80	
Total receipts.....		269,698.50	

¹ Compiled from hearings, pt. 8, Foundation for Economic Education exhibit F-1 p. 52.

Now, applying Mr. Rumely's reasoning to these figures, we could say that the average contribution of 85 percent of the donors (individuals; teachers, clergymen, students; and institutions) was only \$48. These figures are true enough, but equally true and much more important is the fact that the remaining 15 percent of the contributors (business firms and other foundations) gave sums which averaged

¹⁶ Hearings, pt. 5, Committee for Constitutional Government p. 49.

¹⁷ Hearings, pt. 7, Public Affairs Institute, pp. 28, 42. In 1949, the Brotherhood of Railway Trainmen contributed \$75,390, or about 55 percent of the total contributions received by the institute in that year.

¹⁸ Statement before the committee by Leonard E. Read, president of the foundation. Hearings pt. 8, Foundation for Economic Education, p. 46.

\$3,827 and which comprised 93 percent of the dollar value of all donations received.

Since 1947, the foundation's financial base would, at first glance, appear to have been greatly broadened. For the year ending March 31, 1950, there were 479 business, institutional, or foundation contributions as against only 68 in 1946-47. The number of individual contributors likewise expanded from 353 to 2,210. But the heavy reliance on large contributions remains basically unchanged. The 479 organizational contributors, representing only 18 percent of all donors, gave \$288,340.70, or 86 percent of the dollar value of all contributions which the foundation received during the year 1949-50.

These figures must be broken down even further, however, to get a clear picture of who is actually paying the foundation's freight. During the 4 years of its life, the foundation has received 1,043 separate contributions from business firms and other foundations to the amount of \$1,030,458.20, or approximately 90 percent of the dollar value of all contributions received. It is important to know, however, that \$696,500, or 68 percent of this total, was derived from the contributions of only 20 business firms or other foundations.¹⁹

The same pattern obtains even more strikingly with respect to individual donations. Between 1946 and 1950, the Foundation for Economic Education received 4,615 separate individual contributions, the total value of which was \$141,953.34. But 51 percent of this total was provided by contributions from just 20 persons.²⁰

What is true of this organization is in large measure true of most of its counterparts, whatever their political or economic thinking may be. Even extreme left-wing groups like the Civil Rights Congress depend primarily on large contributions. This group, for example, has realized \$303,935.40, or 66 percent of its total receipts in contributions of \$500 or more.²¹

Yet the officers of these groups insist with almost monotonous regularity that large contributions are only trivial to their work, and that, trivial or not, they are none of the public's business. As Mr. Rumely of the Committee for Constitutional Government testified:

We receive fifteen to twenty thousand contributions a year, and we get, on the average, over-all, \$15 or \$20, about what a union labor member pays. If we took the few names that give \$500, it would look as if our committee had millionaire support * * * You misrepresent the sources of support when you pick out a few rich men, able to give \$500.²²

For all his protests, the fact remains that Mr. Rumely and his organization are living on the largesse of those "few rich men, able to give \$500." The following figures on bank deposits by the Com-

¹⁹ Armour & Co.; Chrysler Corp.; Consolidated Edison Co.; du Pont, E. I. de Nemours; Earhart Foundation; Falk Foundation; General Motors Corp.; B. F. Goodrich Co.; Gulf Oil Co.; Kresge Foundation; Libby-Owens-Ford Glass Co.; Eli Lilly & Co.; Marshall Field & Co.; Montgomery Ward Co.; Republic Steel Corp.; Alfred P. Sloan Foundation; Sun Oil Co.; United States Gypsum Co.; United States Steel Corp.; William Volker Fund.

²⁰ W. B. Bell, president of the American Cyanamid Co.; Donaldson Brown, member of the board of directors and the financial policy committees of General Motors Corp. and the E. I. du Pont de Nemours & Co.; W. S. Carpenter, Jr., ex president of the du Pont Co., now chairman of the board; O. A. Cary, former vice president and presently director and member of the executive committee of the du Pont Co.; J. E. Crane, former vice president and presently a director of the du Pont Co.; Lamont du Pont, director of the du Pont Co.; H. B. Earhart, retired, former president of the White Star Refining Co.; B. F. Goodrich, of the Goodrich Rubber Co.; D. M. Goodrich, chairman of the board of the B. F. Goodrich Co.; A. L. Hahn, ex Senator Albert Hawkes, former president and present chairman of the board of Congoleum-Nairn, Inc.; Atholl McBean, chairman of the board of Gladding, McBean & Co.; Joseph McGuire, of the McGuire Press; Donald McLennan, Jr. the Marsh & McLennan Co.; E. T. Weir, founder, chairman of the board, and chief executive of the National Steel Co.; and E. H. Worth. See Hearings, pt. 8, Foundation for Economic Education, pp. 12-20, for an analysis of individual and organizational contributions.

²¹ Hearings, pt. 9, Civil Rights Congress, p. 21.

²² Hearings, pt. 5, Committee for Constitutional Government, p. 29ff.

mittee for Constitutional Government and two of its subsidiary groups present the real facts: ²³

Group	Period	Total deposits	Amount of checks of \$500 or more	Percentage of total deposits	Number of checks of \$500 or more	Average size of checks of \$500 or more
America's Future, Inc.	1947-50	\$1,054,721.65	\$560,883.49	53.1	423	\$1,326
Constitution and Free Enterprise Foundation, Inc.	1947-50	139,239.17	85,095.00	61.1	71	1,199
Committee for Constitutional Government ¹	1947-50	1,285,125.82	508,343.04	39.6	383	1,320

¹ Deposit account C only.

Leonard E. Read, president of the Foundation for Economic Education, furnished this committee with all the information which we requested, but he argued against public disclosure of large contributions. He said:

Here is one reason: The public reporting which is contemplated would present a single fact—the amount of a contributor's donation—to casual readers, persons having only a cursory interest in the matter at issue, persons who would not and perhaps could not possess all the facts. These folks of the so-called public thus receive only oversimplifications or half-truths from which erroneous conclusions are almost certain to be drawn.²⁴

In the final analysis, the case for full disclosure rests on the proposition that the people are competent to make sound judgments when the facts are set before them. Representative Lanham put the case eminently well when he stated:

It means something to me to know who is financing this organization just as it meant something to me to learn about Mr. Anderson's organization [i. e., the Public Affairs Institute]. I know that his organization, Mr. Anderson's, will be slanted toward the labor unions. I know that this organization, Mr. Read's organization, is supported by big corporations and no labor unions, and I know what to expect in their literature. I may agree with part of it and I may disagree. However, I think that the public ought to be able to tell, when these organizations mail out this stuff, who is financing it.

* * * I want something that these newspaper reporters * * * can get, and let the people know about. I do not want something in the secret files of the FBI or the Bureau of Internal Revenue.²⁵

Where there is nothing to hide, there is nothing to fear. Most of the organizations appearing before us were entirely willing to throw open their finances to public scrutiny. As Dewey Anderson, executive director of the Public Affairs Institute, testified:

The utmost disclosure should be a must in any legislation in this vital field where people in a democracy must make up their own minds, form their own judgments, and act thereon. They have a right to know the source of support of those agencies which put out the facts upon which they must act. Requirement of such disclosure would not be anything new. The free press of this Nation—newspapers and magazines—are required at least annually to print a sworn statement of their management and ownership, revealing to the public if any special interest controls exist. Undeniably, research studies have some ultimate influence on policy making in this Nation. It is always well to provide a mechanism which will reveal if the springs of our educational materials should become polluted.²⁶

²³ High as these percentages are, they do not include multiple contributions of \$400 by the same person or group. These are frequent because of Committee for Constitutional Government's professed unwillingness to accept larger general contributions, which would have to be disclosed under the Lobbying Act.

²⁴ Hearings, pt. 8, Foundation for Economic Education, p. 114.

²⁵ Hearings, pt. 8, Foundation for Economic Education, pp. 119, 120.

²⁶ Statement of Dewey Anderson, hearings, pt. 7, Public Affairs Institute, p. 46. The institute made full disclosure to the committee concerning its sources of support, but, like the Foundation for Economic Education, has never registered or reported under the Lobby Act.

(d) *Fund-raising techniques.*—The committee felt that it would be short-sighted to study the sources of funds without studying also the means by which these sources are tapped, particularly since the ethics and legality of some of these means appear to be open to question.

We have already pointed out the device used by the National Economic Council whereby tax-deductible contributions are solicited for the anonymous sponsorship of institutional subscriptions to council publications. A similar practice has been adopted by other groups, although with less spectacular results. A letter from E. A. Rumely to Mr. C. H. Alexander of Dallas, Tex., dated March 12, 1949, indicates that the Committee for Constitutional Government has also solicited contributions on this basis:

Please note the circular Your Help Needed. It is very important to build up the feeling for States' rights. As an instrument for this we are mailing State legislators more and more frequently and have a list for the entire country, approximately 7,500.

We are trying to find support for mailing this entire list regularly the Paul Revere Messages of which the last four copies are enclosed. We would make a special price of \$5 per name. Would you enter subscription for 200 names on this basis? We will then immediately try to broaden out to cover the entire list.²⁷

Another technique shared by the two organizations mentioned above and by numerous others is to solicit money through influential persons. A letter from Merwin K. Hart, president of the National Economic Council, to Lamont du Pont, dated February 17, 1949, outlines this method of operations:

It has occurred to me to wonder if you would consider addressing a letter to perhaps 100 or 200 carefully selected corporations, mentioning our work and stating that one moderate-size corporation has subscribed in that manner (1 cent for each share of stock), and asking them to consider making a subscription on the same basis. If we got only a few subscriptions out of such a letter, it would be well worth while.²⁸

In another letter, Mr. Hart suggested that Mr. du Pont become chairman of the finance committee of the National Economic Council since requests for money going out over his name "would inspire people with confidence, for they would know that you had no financial interest in it."²⁹

Mr. du Pont had already written a letter soliciting contributions to this Council, as the following letter from Mr. Hart to Mr. du Pont, dated January 27, 1949, shows:

Confirming telephone conversation today, we are especially pleased to receive a check this morning from the Beech Aircraft Corp. of Wichita, Kans., for \$5,-998.65. The accompanying letter tells us that this represents one penny per share for each share of issued and outstanding stock.

On the face of the check are the words, "Payment for work in opposing socialism and communism in America, and for the maintenance and strengthening of American private enterprise, private property and individual initiative."

It would be a splendid thing if we could enlist other organizations to pay us for our "work" on this same basis.³⁰

Nevertheless, Mr. du Pont was unwilling to write a second letter. In his reply of February 21, 1949, he wrote:

I cannot consent to your suggestion that a letter of mine be sent to 100 or 200 selected corporations, mentioning the work of the council and suggesting subscriptions.

²⁷ Hearings, pt. 5, Committee for Constitutional Government, pp. 389, 390.

²⁸ Hearings, pt. 4, National Economic Council, p. 83.

²⁹ Ibid., p. 81.

³⁰ Ibid., p. 82.

There are two reasons which compel my taking this position:

First, you have just recently been following a similar effort, addressed to individuals. It is too early to repeat the performance, even to a different mailing list.³¹

Mr. du Pont also declined the suggestion that he become chairman of the National Economic Council's finance committee, but his reluctance about the use of his name was only temporary, as the following letter attests:

WILMINGTON 8, DEL., November 25, 1949.

DEAR FELLOW AMERICANS: Last December, believing the National Economic Council was doing outstanding work toward stemming the tide of communism and socialism in this country, I wrote to many Americans, urging them to contribute to the council.

Now, I have just read council letter No. 226, *There Is No Peace*, calling attention to the import of the trial of the 11 Communists before Judge Medina, and pointing out clearly and forcefully the work that still must be done to save our country from communism and socialism, or any other form of tyranny.

Will you not read the letter, think about it, and form your own opinion of its worth and truth? True, it is only one sample of the council's work, but in my opinion, after reading many of the council's letters, it is a fair sample.

I feel sure that you will conclude that the council is doing a good job. We all have many calls upon us, but in my opinion the National Economic Council should stand among those at the top or near the top of any businessman's list.

Will you not stretch a point and make a contribution, or make a larger contribution, and promptly?

Checks should be mailed to National Economic Council, Empire State Building, New York 1, N. Y.

Yours sincerely,

LAMMOT DU PONT.³²

This mailing was followed on January 9, 1950 by a clinching letter from Mr. Hart which began:

Mr. Lammot du Pont tells us that last November he brought to your attention the work of the National Economic Council, which for the past 20 years has been combatting Communist-Socialist influences in the United States.

and which ended:

Any contribution that you or your company makes will be welcome and will be used in the continuing fight to prevent America from becoming a "hand-out" state.

We shall be happy to hear from you.³³

Mr. du Pont has also sent telegrams soliciting contributions to America's Future, Inc., a tax-exempt adjunct of the Committee for Constitutional Government, in which he succinctly reminded prospective donors: "Treasury ruled gifts deductible."

Several other persons have rendered similar service to the Committee for Constitutional Government itself. On November 19, 1948, for example, Edward A. Rumely, executive secretary of the CCG, wrote to Mr. Harvey C. Fruehauf, president of the Fruehauf Trailer Co.:

As we are asking you to write to the 17,000 corporation presidents, we asked Ed. Hutton [E. F. Hutton, founder of the brokerage firm of E. F. Hutton & Co.] to write to 20,000 individuals worth \$500,000 to \$1,000,000 and over.³⁴

This letter was actually in confirmation of a campaign which had begun the month before. Mr. Fruehauf had already sent out hundreds

³¹ Hearings, pt. 4, National Economic Council, p. 83.

³² Ibid., p. 85.

³³ Ibid., p. 85.

³⁴ Hearings, pt. 5, Committee for Constitutional Government, p. 72.

of letters on the stationery of the Fruchauf Trailer Co. These letters declared:

But 15 years of miseducation of the public has created a situation so critical that it seems to me that all of us should make a special effort to increase the funds available to this second most effective organization.³⁵

"Second most effective" refers to the Committee for Constitutional Government's ranking in a magazine analysis of the pressure groups which had been most successful before the Eightieth Congress. A photostat of this analysis was included in each letter. Mr. Fruchauf's letter concluded:

Personally, I think such an organization deserves the wholehearted support of those believing in our free competitive enterprise system.

In another letter from Rumely to former Senator E. H. Moore of Oklahoma, dated June 16, 1949, there is further evidence of solicitation for the Committee for Constitutional Government by other persons. Rumely wrote:

Senator Hawkes has agreed to write a letter of endorsement for the Fighters for Freedom movement [a CCG adjunct], urging everyone to join—which he is permitting us to use generally.³⁶

Further examples of this particular fund-raising technique could be presented, but they would only belabor the point. Foundations look for support where they are most apt to find it, and they have found that it is both good sense and good business to solicit funds through the agency of men who command respect among prospective donors.

The role of such persons in fund-raising is, of course, not limited to the signature of letters asking for money. Their names, if not always their efforts, are used in other ways as well. The foundation can, for example, casually let fall the name of one contributor in an effort to attract another. Witness a letter of January 2, 1948, from Merwin K. Hart to Mr. Irénée du Pont in which Mr. Hart writes:

Mr. Lammot du Pont is today sending his check for \$5,000, and I am writing to ask if you would be willing to send us \$5,000 also. Your subscription in each of the last few years has been \$3,000. Let me point out to you that it will be possible for \$2,000 of the \$5,000 that we would like you to give to be deducted before taxes. This could be accomplished by your purchasing 200 sets of our publications, each set to be sent to some educational or religious corporation, that is to say, any public library, college, university, or Protestant church.³⁷

Although the tax-deductibility of these gifts is questionable, disclosure of the names of previous large contributors gives the prospective donor the feeling that he will be in respectable company. The testimonial apparently has its place in selling ideas as well as merchandise.

Once a foundation has become a going concern with established sources of support, it is relatively easy to use these sources as a lever for obtaining donations from others. But while a foundation is in its formative stages, the selection and proper use of respectable sponsors is particularly important. As Leonard E. Read, president of the Foundation for Economic Education, wrote Mr. Lammot du Pont on September 10, 1947:

The going is pretty tough where a person isn't well known and, therefore, what I usually aim at is to persuade someone who knows me and is acquainted with

³⁵ Hearings, pt. 5, Committee for Constitutional Government, p. 61.

³⁶ Hearings, pt. 5, Committee for Constitutional Government, p. 162.

³⁷ Hearings, pt. 4, National Economic Council, p. 78.

our work to sponsor a luncheon. I have had excellent sponsors to date—Hutchinson in Detroit, Gurley and McBain in Chicago, for instance.³⁸

There was more point to the letter than merely to inform Mr. du Pont of the difficulties of getting started. Mr. Read continued:

In Philadelphia last Thursday I discussed the matter with our mutual friend, J. Howard Pew³⁹ and asked his advice as to who could best sponsor a luncheon. Quickly he answered, Mr. Lamont du Pont and added that he and several others in Philadelphia would join with us if you so desired.

Mr. du Pont replied that a Philadelphia luncheon should properly be given by a Philadelphian, but that he would attend such a luncheon and would, in fact, pay the check if the party was limited to 50.⁴⁰

Americans for Democratic Action, a lobbying and political organization which generally supports the program of President Truman, has also used luncheons and dinners as fund raising mediums, but on a slightly more formalized basis. The ADA reports that its Roosevelt day subscription dinners yielded \$34,637.07 (gross) in 1949 and \$17,100 (net) in 1950. These sums are a substantial part of ADA's annual budget.⁴¹

Contributions to foundations are usually either unencumbered or are for the distribution of printed matter. The Public Affairs Institute, however, frequently solicits support from other foundations, trade-unions, and other groups to support particular research studies. The largest project which this group has yet undertaken, for example, was a series of eight studies of the point-4 program, for which the Foundation for World Government made a grant of \$39,000 at the institute's behest. The conclusion to be drawn from this is obvious; securing money for specific research is at least one means by which the foundation can be held responsible by its contributors for the manner in which their contributions are utilized. In most foundations, there is neither this means nor any other by which foundation executives can be held to any detailed accountability.

Although foundations and committees seldom solicit funds for specific purposes, the appeal for money is usually geared specifically to the interests of prospective contributors. Distinctly different appeals are aimed at distinctly different groups. The Committee for Constitutional Government, for example, uses a wide variety of mailing lists for specific fund-raising campaigns. At various times this group has sought funds from and sent materials to lists of—

1. 20,000 corporation presidents.
2. 8,000 persons worth between \$500,000 and \$1,000,000.
3. 10,000 millionaires. (Mr. Rumely maintained that this was his "least productive" list, "because nobody is more shy—the only thing more shy than a millionaire is a man with two million.")
4. Farm leaders (Mr. Rumely said: "We spent about \$15,000 compiling a list of about 40,000 farm leaders. That list is productive. We get action on it.")
5. Labor leaders.
6. Press, radio, and other publications.
7. Industrial groups.
8. Other organizations.

³⁸ B. E. Hutchinson, of the Chrysler Corp.; F. G. Gurley, president of the Santa Fe R. R.; H. M. McBain, chairman of the board of Marshall Field & Co. For full text of letter, see hearings, p. 8, Foundation for Economic Education, exhibit B-21, pp. 87-88.

³⁹ President of the Sun Oil Co.

⁴⁰ Mr. du Pont subsequently became one of the principal individual backers of the Foundation for Economic Education. His contributions totaled \$19,832.98 between 1946 and 1950.

⁴¹ Hearings, pt. 6, Americans for Democratic Action, p. 109.

9. Catholic and Protestant Clergymen ("That list is so good that the publications come to us. We get back a little of our cost by renting the list out.").
10. Members of Congress, State legislators, and jurists.⁴²

In fact, the CCG's typewritten list of lists is 12 pages long.

Here again, the resources of a well-established foundation are far superior to those of new entrants in the field, for the preparation of "productive" lists is an expensive undertaking. Yet there are ways by which the struggling newcomer can gain a foothold. In the formative period of the Foundation for Economic Education, for example, letters asking for contributions were sent to each of the 50 largest corporations in the country which had not already contributed to the foundation. These corporations were not reluctant to contribute, but according to Mr. Read of the foundation, had not done so because the "head men have not been interviewed and apprised of our efforts."⁴³ That these letters and the interviews and luncheons which accompanied them were productive is attested to by the foundation's list of contributors and by Mr. Read's testimony before the committee that the foundation is no longer obliged to solicit on this basis.

In the foundation's early stages, Mr. Read also reminded potential contributors that there was an excellent possibility that the Foundation might be declared tax-exempt, and that contributions made to it would therefore be tax-deductible. Tax exemption and deductibility for donations were granted to the Foundation on April 2, 1947. Even prior to this time, however, Mr. Read could offer particular advantages to corporate contributors, if not individuals. Following a conversation with the general counsel of the Treasury, Mr. Read assured Mr. Irving S. Olds, chairman of the board of the United States Steel Corp.:

* * * that corporations making donations could, should we subsequently be declared nonexempt, deduct this donation as an item of business expense.⁴⁴

With double-locked inducements such as this to offer, it is not difficult to understand why the Foundation for Economic Education has prospered.

There is at least one aspect of fund raising common to most lobbying organizations. Though the targets of solicitation differ, the content of the appeals is very similar. A natural tactic of most pressure groups is to claim to have exercised decisive influence in past legislative battles. Such claims are often based more on coincidence plus imagination than they are on the facts, but this is something which the ordinary donor has little chance of knowing. He likes the feel of riding a winner, and the fund raiser knows it. For example, a letter dated January 2, 1948, from Merwin K. Hart, of the National Economic Council, to Mr. Irénée du Pont states:

We have definite evidence in a number of instances that our work with respect to measures before Congress has been decisive in the disposition of these measures. All we need, in order to be of a conclusive influence on a substantial number of measures, is the funds to get additional personnel and to meet other necessary costs.⁴⁵

Mr. du Pont's contributions to National Economic Council aggregated \$21,000 in the following 2 years.

⁴² Hearings, pt. 5, Committee for Constitutional Government, p. 95.

⁴³ Hearings, pt. 8, Foundation for Economic Education, exhibit B-8, p. 62.

⁴⁴ Ibid., exhibit A-21, p. 50. This letter was dated May 22, 1946. On June 23, the foundation received a \$10,000 contribution from United States Steel.

⁴⁵ Hearings, pt. 4, National Economic Council, p. 78.

Or consider the statement by Sumner Gerard, treasurer of the Committee for Constitutional Government, in a letter to Mr. Henry B. Bass, dated February 26, 1948:

Unlike most of the groups that flourish for a while like the green bay tree and then fade out of sight, our committee has been functioning for over 10 years and we have many scalps in our belt.⁴⁶

The claims of membership or trade organizations are sometimes remarkably specific. On January 22, 1948, the president of the National Association of Real Estate Boards wrote to the presidents of all member boards seeking \$80,000 for the Realtors' Washington Committee, central control agency for NAREB's grass-roots pressure campaigns:

In 1947 your association, with the help of its members and the Realtors' Washington Committee, succeeded in persuading Congress to take the following actions:

- A. Decontrol of rents was begun by the lease system and a number of liberalizing amendments.
- B. Federal controls of residential building were wholly removed.
- C. A vast public-housing program embodied in the WET-TEW bill was stopped.
- D. FHA's title I and title VI were extended to assist home buyers.
- E. The War Assets Administration agreed to give brokers exclusive contracts and pay commissions on surplus property.⁴⁷

Other aspects of solicitation technique deserve attention. To assure contributor interest and support, it is not enough merely to mention past glories. There is always more which has to be done, and sometimes the magnitude of this unfinished task can best be stressed by reminding the contributor of the grim consequences of nonaction. The National Economic Council, for example, sent out a chain solicitation letter, which mailing it labeled "Operation Snowball." The letter concluded:

Will you start the ball rolling, dear American? Your family and home are in danger. Everything in which you believe is threatened, even your life may be in jeopardy.⁴⁸

The time is always now. As E. A. Rumely of the Committee for Constitutional Government wrote to ex-Senator Moore on June 16, 1949:

The situation is not hopeless * * *. But time is of the essence, for we have only 100 days to enroll our first 100,000 who will give us \$400,000 of income and the personal influence needed for State-by-State organization * * *. Everything depends upon our being able immediately to start on a greater front.⁴⁹

Or, consider this appeal dated January 5, 1949, from a regional director of the National Public Housing Conference, a group active in support of rent control and public housing, whose reporting under the Lobbying Act has been erratic:

NPHC needs funds to keep its doors open. If funds are not forthcoming within the next 2 weeks, it will have to close up shop. It is the only organization local authorities have at the Washington level to represent us in the Halls of Congress and keep us informed as to what is going on. Won't you please do your part in this emergency?⁵⁰

The pressure group seems to live, and, generally, to live well in an atmosphere of perpetual crisis, for if you can't beguile your clients

⁴⁶ Hearings, pt. 5, Committee for Constitutional Government, p. 59.

⁴⁷ Hearings, pt. 2, Housing Lobby, appendix, exhibit 9, p. 534.

⁴⁸ Hearings, pt. 4, National Economic Council, p. 91.

⁴⁹ Hearings, pt. 5, Committee for Constitutional Government, pp. 101-102.

⁵⁰ Hearings, pt. 2, Housing Lobby, appendix, exhibit N-22, p. 1360.

with pure reason, you may be able to frighten them into contributing. The side effects of this kind of fund raising are rather serious, however. The urgent appeals for funds, the tremendous importance which the pressure groups ascribe to their war chests in winning legislative battles may mislead many of their supporters into believing that the laws they seek can be "bought." This is certainly not the case.

The foregoing analysis does not purport to be an encyclopedic treatment of all the techniques of pressure group fund raising. We have endeavored to describe only what seemed to be the most important of these techniques. We have also tried to convey some impression of the focus of these efforts, of the ingenuity and careful planning they involve.

But while they are ingenious and carefully executed, these efforts also pose thorny questions of public policy for which unequivocal answers are often difficult. As shown above, for example, the National Economic Council solicits and receives contributions from persons of great wealth for the endowment of anonymous subscriptions to its publications. In this situation, at least, the money involved is that of a private individual who has every right to spend freely to promote whatever causes may attract his fancy. The only question is whether or not the tax exemption claimed is a proper one. But what of the corporation which contributes to the National Economic Council, or to any other foundation? Contributions for distribution of literature to institutions are usually claimed as tax deductible by the donor. Outright contributions are often claimed as tax deductible if the foundation is tax exempt, or as items of "business expense" if the foundation is not exempt. It is a wonderful arrangement. Nobody loses—except the Treasury, the taxpayer, and the corporate shareholders.

The issue is further complicated by the extremist character of the programs and publications of many of these foundations. One of the National Economic Council's techniques, for example, is to disparage those who oppose its objectives by appeals to religious prejudice, often an ill-concealed anti-Semitism. While it might be argued that NEC's contributors share some responsibility for its activities, it is more likely that many of the corporate officials—and particularly the directors and stockholders of the corporate contributors—would be opposed to NEC's appeals to unreason if they were fully apprised of them.⁴¹

The stockholder interest in corporate contributions to foundations and committees is seldom considered, but it is nonetheless real. It is easy to say that the disaffected stockholder—and we can conceive of many who would be disaffected were they to know the full import of these contributions—has a legal recourse through stockholder suits, proxy contests, and the like. But such measures, especially those involving litigation, may be both expensive and unpleasant.

We would be less concerned with the propriety of corporate donations to these groups if either the corporations or the foundations were willing that these donations should be a matter of readily available public record—to the stockholder as well as to the public at large.

⁴¹ National Economic Council numbers among its contributors such concerns as Armco Steel, Bethlehem Steel Corp., Carter Carburetor Corp., Eastman Kodak Co., Armstrong Cork Co., Gulf Oil Corp., Kress & Co., Mohawk Carpet Mills, Pure Oil Co., Standard Oil of Indiana, Texas Co., Sears, Roebuck, Union Carbide & Carbon Corp., Monsanto Chemical Co., Santa Fe Railway Co., and a host of others.

Evidence that in fact some corporate contributors disapprove of Merwin H. Hart's techniques is furnished by reports received by the committee that a number of contributors have recently repudiated NEO.

But this does not appear to be the case. Full disclosure, we are told, would mean "half-truths" and "oversimplifications" which would be dangerous for all concerned.⁵² We reject this view for the reasons which we have stated earlier. The right to privacy must yield to full disclosure of the salient facts in a matter so obviously clothed with the public interest.

(e) *Techniques of lobbying.*—Lobbying is as natural to our kind of government as breathing is to the human organism, and it is almost equally complex. Part of this complexity springs from the fact that there are no significant interests in our society—economic, social, or ideological—which do not in one way or another seek something from government. With so many conflicting voices clamoring to be heard, the only means of securing a full hearing has been to constantly find new techniques by which your views can be presented more effectively than your competitor's. The demands of vigorous competition have thus made lobbying an exacting and an ever-evolving profession. The encyclopedia of lobbying practices needs frequent supplements to keep it up to date.

And they had best be cumulative supplements; for while lobbying techniques are continually being streamlined, the old stand-bys of pressure tactics are only slowly relinquished. New methods are added but old ones are not dropped. For example, direct contacting of legislators, the critical component of any traditional definition of lobbying, is still a common practice. Individuals and groups very properly seek to apprise legislators directly of their views on public issues. The variations on this old practice are, of course, endless.

Some groups make their views known by letters, telegrams, and phone calls. Others depend largely on personal contact with Members of Congress, and still others think that they can best serve their cause by organizing delegations for marches on the Capitol. The Civil Rights Congress has often used this last approach and has on numerous occasions sponsored mass train trips to Washington for the purpose of what its officers call "speaking on * * * legislation."⁵³

Members of Congress are used to being sought out in their offices, in their homes, in the corridors of the office buildings and of the Capitol, in the cloakrooms and restaurants, on the floor of the Chamber itself. They expect and welcome letters, telegrams, and telephone calls from constituents and from those outside their districts as well. In an age where the actions of Congress directly affect the lives of so many, legislators depend on these communications in a very real and immediate way. They are both the pipelines and the lifelines of our kind of representative government.

But such statements and comments are not always as spontaneous, original, or genuine as they appear. Some tend to degrade the right of petition into a solemn-cynical game of blind man's buff, a test of wits between the lobbyist and the legislator. Representative Clarence Brown remarked jocularly during an early hearing that he could smell such inspired pressure letters without opening the envelopes; but it is not always easy to separate the real expression of opinion from the contrived one. Consider, for example, the following letter sent

⁵² Statement of Leonard E. Read, president of the Foundation for Economic Education. Hearings, pt. 8, Foundation for Economic Education, p. 114.

⁵³ Hearings, pt. 9, Civil Rights Congress, p. 12.

by the National Association of Real Estate Boards to realtors throughout the Nation:

Suggested paragraphs for use in letter to Congressman (Note.—Be sure to change form and ideas into your own words, rearrange, omit some parts, and add personal experiences):

DEAR ———: We have both heard a lot of complaint about rent control and OPA generally. * * *

Recently I met with some of our good friends, including ———, and we discussed what best should be done to correct the injustices being practiced in the name of controlling rents.

Our decision was to start here in (city) ——— a movement to force the OPA Administrator to allow adjustment in rents of at least 15 percent. This should be done this fall in order to give all of us plenty of time to arrange the adjustments. I am taking this up with (name of friend) ——— of (another city) ——— also and may discuss it with others to see whether we might spread the movement over the country.

Before doing that, however, I want to ask you if you will (sponsor) (support) such an amendment to the price-control law. If you will do so, I will try to get such a movement started in other sections immediately.

Here are some of the reasons why I think this should be done—and they apply only to rents:

(State in your own words some of the "15 facts" which you think will appeal to him most.)

I am asking others of the group to write you about this, and I will telephone you later, as we are anxious to start the movement with your help.

(Signed) ———.

Most other lobby groups also encourage their members to contact Members of Congress on pending legislation, and suggestions on what to say and how to say it are frequently provided. But usually time is too short for detailed planning of this kind. The group that is pressed for time can only ask its supporters to make themselves heard. This statement in a letter of June 7, 1948, from Nathan E. Cowan, legislative director of the CIO, to the presidents of all CIO international unions and to State industrial councils, is typical of this approach:

Telegraph or, if possible, telephone your Congressman urging that he be on hand if the bill comes out for a vote. Demand that no weakening amendments be added during debate.⁵⁵

The National Association of Real Estate Boards, however, has systematized all means of direct contact between its members and legislators more completely than any other group appearing before this committee. This group conducts letter and telegram campaigns. It also prepares, sometimes on request, specific letters which local members transmit to their Senators and Representatives. The association has developed through its local member boards remarkably extensive lists of congressional "contacts," persons who are expected to wield particular influence with the Representative or Senator from the district or State concerned. There is, among others, a list of "special contacts" for the House Banking and Currency Committee; another for the Senate Banking and Currency Committee; a third for the House Rules Committee; and a fourth which is labeled "Key Senate Phone Contacts."⁵⁶ When a pressure campaign reaches the critical stage, when a final ounce of effort may be the margin between success or failure, the "contact" swings into action. The expectation is, of course, that the "contact's" political, business, or personal acquaint-

⁵⁵ Hearings, pt. 2, Housing Lobby, appendix, exhibit 359-C, p. 904.

⁵⁶ Hearings, pt. 2, Housing Lobby, appendix, exhibit 473, pp. 1097-1098.

⁵⁷ Hearings, pt. 2, Housing Lobby, appendix, exhibits 262-303, 350-457, pp. 822-860, 954-1083.

ance with the Member of Congress—and it is on this basis that he is selected as contact—will enable him to make a decisive impression on the Member's thinking. Six to seven hundred of these contacts make up the membership of what the National Association of Real Estate Boards calls the enlarged committee of the Realtors' Washington Committee, which handles and directs much of the lobbying for the association. Herbert U. Nelson, National Association of Real Estate Boards executive vice president, describes the work of the enlarged committee as follows:

The specific objective and activity of the enlarged committee, when called upon, is to wire or write their Senators or Representatives regarding any critical matters which may arise from time to time that seriously affect the real-estate industry and where quick action is required. Only those who have shown a willingness or desire to render support in this manner, or who are closely acquainted or have personal contact with Members of Congress, have been appointed on the enlarged committee.⁶⁷

There is, of course, nothing essentially new in this approach except the degree of careful organization and planning which the National Association of Real Estate Boards applies to it. Every pressure group worthy of the name has recognized since at least 1910 that the sheer volume of letters and wires from home is apt to have some influence on congressional decisions. They have also recognized, however, that volume alone is apt to raise congressional suspicion. Hence, the National Association of Real Estate Board's careful selection of contacts, usually men of substance within their communities, men whose views are likely to command maximum respect. For example in a letter dated April 10, 1947, the executive secretary of the Dayton Real Estate Board wrote to Calvin K. Snyder of the Realtors' Washington Committee:

DEAR MR. SNYDER: Reference is made to your letter of April 3, 1947, relative to realtors in Dayton who might carry weight with Senator Taft.

Some of these are as follows:

Sidney Eisenberger, prominent in town, has entree with Taft. Address: 720 Grand Avenue, Dayton 6, Ohio.

Ernest Steiner, former State senator, prominent Republican, Shriner, realtor, 607 Winters Building, Dayton 2, Ohio.

Allen Beecher, well known realtor; experienced in legislative matters, 1107 U. B. Building, Dayton 2, Ohio.

Paul Schenck; real estate board president; president of the board of education, 709, Gas and Electric Building, Dayton, 2 Ohio.

Please let this office know whenever we may be of service to your committee.

Sincerely yours,

THE DAYTON REAL ESTATE BOARD,
JAMES J. SPATZ, *Executive Secretary*.⁶⁸

The following letter to Lee F. Johnson, executive vice president of the National Housing Conference, from a Florida member shows that other groups also operate on much the same basis:

THE HOUSING AUTHORITY OF THE CITY OF LAKELAND,
Lakeland, Fla., June 21, 1949.

MR. LEE F. JOHNSON,
Executive vice president, National Housing Conference, Inc., Washington, D. C.

DEAR MR. JOHNSON: You will be interested to know that I have secured strong telegrams each of which was addressed to Hon. J. Hardin Peterson, Congressman from First Florida District urging him to support H. R. 4009. As I told you in Washington when there a few weeks ago I had the assurance of Congressman Peterson that he would support this measure but just wanted him to know that the leading citizens of Lakeland, his home town, were in favor of this measure.

⁶⁷ Hearings, pt. 2, Housing Lobby, appendix, exhibit 353-A, p. 958.

⁶⁸ Hearings, pt. 2, Housing Lobby, exhibit 262-II, p. 825.

For your information I am giving you the names of the people sending telegrams as well as their vocation and avocation.

E. B. (Smokie) Sutton, mayor commissioner, city of Lakeland, general contractor.

George J. Tolson, commissioner, city of Lakeland, railroad union leader.

L. Guerry Dobbins, commissioner, city of Lakeland, gasoline and oil dealer.

C. V. McClurg, president, Peoples Savings Bank, large property owner and civic leader.

J. W. Cordell, president, Florida National Bank.

Thomas W. Bryant, attorney and large property owner, Florida State representative (former).

Judge A. R. Carver, attorney, large property owner and civic leader.

Fred T. Benford, merchant, director, First Federal Savings & Loan.

Homer E. Hooks, president, junior chamber commerce, advertising executive.

Levie D. Smith, president, Lakeland Chamber of Commerce; past president, Lakeland Board Realtors, realtor and property owner.

Tom B. Marler, president, Lakeland Board Realtors, realtor and civic leader.

Dr. Herman Watson, outstanding physician and surgeon, owner, Watson Clinic, large property owner.

John Templin, lumberman, general contractor and builder, director, chamber of commerce.

I feel that these 12 men are probably the most outstanding men in Lakeland and each of them is definitely in favor of slum clearance and additional public housing for Lakeland.

I trust this information will be of some value to you and with very best wishes, I am,

Cordially yours,

EARLE M. WILLIS.⁴⁰

Such support for any measure could understandably exert some influence. Quality as well as quantity pays in pressure politics.

In the days when lobbying meant little more than unabashed bribery, committees of Congress were the favorite focus of the old lobby barons. Then as now, crucial decisions were made in committee, and men having entree to them could quietly make the necessary arrangements. The committees are even more important in the modern legislative process, but with the institution in 1911 of open hearings on all major legislation the possibilities of easy influence diminished. The lobbyist who appears formally before committees today is generally obliged to argue on the merits. Despite public scrutiny and the watchfulness of competitors, however, some misrepresentation is still possible. In a letter dated January 17, 1949, to Herbert U. Nelson, of the National Association of Real Estate Boards, Art Barrett of Detroit had an interesting suggestion along these lines:

My thinking is simply this: I believe our case opposing the extension of rent control would be helped tremendously if we could parade in a few small property owners from around the country, a little bedraggled and run-down-at-the-heels-looking, who could get their story over to Congress that the small man who owns a little property is taking one hell of a beating. * * *

This sort of stagecraft fully developed could turn the congressional process into a masquerade ball.

Although the techniques of direct contact with Members and committees are as old as lobbying itself, they can still be of service to the modern pressure group in the presentation of its point of view. New twists have to be added to keep the old methods useful, but they continue to be of importance in the over-all lobbying picture. Not only do these techniques allow groups and individuals to present their views but they also provide the means by which valuable and perhaps

⁴⁰ Hearings, pt. 2, Housing Lobby, appendix, exhibit N-6, p. 1341.

* Hearings, pt. 2, Housing Lobby, appendix, exhibit 22, p. 543.

otherwise unavailable information can be brought to the Congress' attention. This intelligence function of lobbying is likewise not new, but it does assume special importance in an era of complex and wide-ranging legislation. The pressure group is, of course, quite likely to exaggerate its research and informational activities. The National Association of Manufacturers typically maintains, for instance, that at least 80 percent of its operations are of this character. Although such claims bear close scrutiny, it is nevertheless true that most well-established pressure bodies take their informational work quite seriously.

Facts are seldom presented for their own sake, or without having been carefully selected for maximum impact. But where a full hearing is available for all interested groups, we can rely on competitive watchfulness and public scrutiny as partial safeguards against misrepresentation of the facts by any one group.

The service function in lobbying takes many different forms. When representatives of organized groups appear before committees of Congress, for example, they are not only presenting their own case but they are also providing Members of Congress with one of the essential raw materials of legislative action. By the same token, the drafting of bills and amendments to bills, the preparation of speeches and other materials for Members, the submission to Members of detailed memoranda on bill-handling tactics—all of these are means by which lobby groups service the legislative process and at the same time further their own ends.

In addition to these services rendered to Members of Congress in their official capacities, lobbying organizations often perform favors of a more personal sort. Three generations ago, when standards of congressional morality were less exacting than they are today, the lobbyist could favor the Member in ways which strike the modern mind as crude. The lobbyist of the 1880's was a bountiful host, a social guide, a financial confidant, and a free-handed companion at the gaming table. But times change, and, while the theme of personal attentiveness still runs through modern pressure tactics, the forms which it takes have changed. Formal dinners for Members of Congress and, in addition to these, more casual and intimate gatherings, remain part of the lobby group's stock in trade. But apart from these vestiges of the old "social lobby," the personal service aspects of lobbying have been considerably revamped. Today, the resourceful pressure group may seek to serve themselves as well as Members of Congress by arranging remunerative speaking or writing engagements for them, or by such friendly acts as helping the new Member to secure housing in Washington.⁶¹

The relationships between Members of Congress and groups interested in legislation are infinitely varied. Many Members have spoken before such groups, frequently for no remuneration whatsoever. In other cases, Members have arranged for groups to reproduce their writings on public issues. One Member, for example, has regularly written a weekly Washington column which has been distributed by a group filing reports under the Lobbying Act. He has received no pay for this writing, but he has received "research ex-

⁶¹ Hearings, pt. 2, Housing Lobby pp. 54-55, 201-204.

penses" which have ranged from \$250 to \$500 per month.⁶² Obviously, those groups which cannot work on equally close terms with Members are left at a considerable disadvantage.

There is a final long-standing lobbying technique which, without any modernization at all, has become increasingly prevalent during the past 40 years. We refer to the use of the franking privilege for mass mailings of printed matter.

It is unlawful for Congressmen or Government officials to lend the frank or "permit its use by any committee, organization, or association * * *." ⁶³ Furthermore the Criminal Code provides for a fine of \$300 in the case of any person who "makes use of any official envelope * * * to avoid the payment of postage * * *." ⁶⁴ Yet the Committee for Constitutional Government obtains mass distribution of various materials through the use of congressional franks in the following manner. A Member inserts in the Congressional Record an article or speech that may or may not have been furnished him by the committee. It is reproduced by the Government Printing Office much less expensively than at commercial rates. The printing is paid for by the Member, who in turn is reimbursed by E. A. Rumely's group. The matter is mailed in bulk, sometimes already stuffed and sealed in franked envelopes, to the Committee for Constitutional Government in New York, where it is stored. At the moment deemed most timely and convenient for the committee, the individual envelopes are addressed and mailed postage-free under the congressional frank.

The advantages of this arrangement for the lobby group were pointed out by E. A. Rumely in a letter dated December 29, 1948, to the president of the Anderson Co., of Gary, Ind.:

Our problem at the present time is finances to distribute the material that must go out on Federal education, socialized medicine, public housing. We want to repeat our effort in the court fight and get out millions of copies. Franked material travels to its destination at about a total cost of one-half cent per copy; nothing equals this in effectiveness, per dollar spent.⁶⁵

Some Members have not used their best judgment in allowing the employment of their frank by lobbying organizations.⁶⁶ We think that franked mailings to a Member's constituency, by himself and for himself, are useful and entirely proper. But some Members in allowing the extraordinary if not indiscriminate use of their frank by lobby groups, have failed to abide by this or any comparable standard. When one organization, the Committee for Constitutional Government, admits to having distributed 8 to 10 million franked releases in the past 4 years, it is assuming a privileged status to which it is not entitled.⁶⁷ The frank is not properly used as a veiled subsidy to any group, whatever its views may be. Close to 2½ million pieces of franked material of one Member of Congress were obtained by this one organization alone in a single year for distribution postage-free at the taxpayers' expense.⁶⁸ This same organization publicly advocates Government economy.

(f) *Lobbying and grass-roots pressure.*—If lobbying consisted of nothing more than the well-established methods of direct contact,

⁶² Hearings, pt. 5, Committee for Constitutional Government, pp. 155-156.

⁶³ 39 U. S. C., sec. 335.

⁶⁴ 18 U. S. C., sec. 1719.

⁶⁵ Hearings, pt. 5, Committee for Constitutional Government, p. 104.

⁶⁶ Hearings, pt. 2, Housing Lobby, pp. 223-226; 292; 661-663.

⁶⁷ Hearings, pt. 5, Committee for Constitutional Government, pp. 99-101.

⁶⁸ Hearings, pt. 5, Committee for Constitutional Government, p. 100.

there would have been relatively little need for our investigation. These methods may lack finesse, but they generally have the virtue of directness. At least the effort to influence runs straight-line from the individual or group to the Member of Congress. Although the process may be sleeked up occasionally, it is essentially uncomplicated and straightforward.

Ever since President Wilson's first administration, however, the ever-growing army of pressure groups has recognized that the power of government ultimately rests on the power of public opinion. This simple discovery lies at the root of the evolution of lobbying techniques since 1913. The extensive use of franked releases antagonistic to the chief items of the Underwood tariff bill of that year was probably the first large-scale effort to bring public opinion to bear on legislation. In this sense, the use of highly charged franked releases as an instrument of pressure was the bridge between the old lobbying and the new. It opened the way to the development of entirely new dimensions in the theory and practice of lobbying. Today, the long-run objective of every significant pressure group in the country is and must inevitably be the creation and control of public opinion; for, without the support of an articulate public, the most carefully planned direct lobbying is likely to be ineffective, except on small or narrow issues.

If a descriptive label is needed, this new emphasis in pressure tactics might best be called "lobbying at the grass roots." What it amounts to is this: Rather than attempt to influence legislation directly, the pressure group seeks to create an appearance of broad public support for its aims, support which can be mobilized when the legislative situation demands it. The general premise underlying this effort is that if people are made to feel deeply enough about an issue they will translate their feelings into action which will affect that issue's resolution by the Congress. This expression of public opinion may be genuine in the sense that the views expressed are expressed spontaneously and with conviction. Or, on the other hand, such expression may be artificial and contrived. In either case, the process is one which has been deliberately and specifically instigated by one group or another having a particular stake in legislative issues. This process may bear little resemblance to the lobbying of 1880, but the intent behind it and the end results are unquestionably the same; namely, to influence the determination of legislative policy. As Representative Halleck succinctly observed:

The committee has pretty well discovered, I think, that one of the very effective ways to influence legislation is to operate out at the grass roots and possibly to deal in public opinion.⁶⁹

The suggestion that efforts to influence public opinion might, under certain circumstances, be classified as "lobbying" met with considerable resistance from numerous witnesses appearing before us. They usually described themselves as "educators" or "publishers" or, in one case, "educator-publisher." As such, a number of them claimed that they had never lobbied in their lives. Although we have reason to suspect these protestations of injured innocence, they do raise important questions of policy. Where, for example, is the line to be drawn between "lobbying at the grass roots" and publishing or

⁶⁹ Hearings, pt. 10, Legislative Activities of Executive Agencies, p. 353.

education, which may also be concerned with the creation of opinion? So far as stimulating people to exert pressure on their Congressmen is concerned, is it not true that "every idea is an incitement," as Justice Holmes once said?

The answers to these questions are closer at hand than the protestors care to admit. Those who are reticent to make public disclosure of their activities and sources of financial support enjoy their self-made confusion. The all-pervading purpose and intent of the Lobbying Act was to bring into the open activities intended to influence legislation, directly and indirectly, and to provide full public disclosure of the financing and expenditures involved in these activities. Lobbying at the grass-roots is no hazy myth; it is a basic reality of modern efforts to influence legislation. We have already stated our position on the question of full disclosure: A group's own allegations that it is exempt from the Lobbying Act are plainly self-serving. Where doubt exists, sound public policy calls for full disclosure of the facts.⁷⁰

Unfortunately, many people attach sinister significance to the word "lobbying." The present statute on the subject does not contain the word "lobbying" anywhere in its substantive provisions. Except in the title, the statute speaks only of attempts to influence legislation, directly and indirectly.

What persons and groups should be required to file reports under the Lobbying Act? We suggested earlier that the only practical gauges of lobbying activity are intent and some substantial effort to influence legislation. We believe that these criteria apply to most of those who have protested that their efforts to influence or educate public opinion do not constitute lobbying. All receipts or expenditures to influence legislation, directly or indirectly, should be reported to Congress and the public, if they are substantial enough in size so that the legal maxim of *de minimis non curat lex* (the law is not concerned with trifles) would not apply.⁷¹ In a separate report we shall deal more fully with the provisions of the present Lobbying Act and suggested amendments.

Naturally there will be borderline cases demanding careful analysis and judgment, but we have no hesitation in saying that doubts should always be resolved in favor of full public disclosure of the facts. Two examples drawn from our investigation illustrate particularly cogently the types of problems which are involved.

The Committee for Constitutional Government, a nonprofit organization incorporated under the laws of the District of Columbia, has filed statements pursuant to section 305 of the Lobbying Act, but it has done so under protest, maintaining both that its activities do not constitute lobbying and that, in any case, the Lobbying Act is void. Moreover, the statements filed by the Committee for Constitutional Government have consistently failed to disclose all facts relative to its receipts for the distribution of books and pamphlets on legislative issues. The group's three major activities appear to be raising money, stimulating letter and telegram campaigns on pending legislation, and distributing books, pamphlets and other printed matter to Members of Congress, State legislators, other public officials, and private institutions, organizations, and individual citizens.⁷² The Com-

⁷⁰ See p. 30, pt. 2, Rept. No. 1 of the Special Committee To Investigate Senatorial Campaign Expenditures (1940) for an interesting parallel.

⁷¹ For a more complete analysis of this aspect of the question, see Futor, *An Analysis of the Federal Lobbying Act*, 10 *Federal Bar Journal* 306 (1940).

⁷² Hearings, pt. 5, Committee for Constitutional Government, p. 380.

mittee for Constitutional Government denies that it is in lobbying at all. Indeed, in a booklet entitled "Needed Now—Capacity for Leadership, Courage To Lead," published in 1944, the committee deprecated the value of the older lobbying techniques under which delegations "buttonhole legislators" as "stunts which attract some popular attention but persuade no Congressmen." Said the committee: "The place to persuade Congressmen is back home."⁷³

In keeping with this homely maxim, the Committee for Constitutional Government sent out between 1937 and 1944:

Eighty-two million pieces of literature—booklets, pamphlets, reprints of editorials and articles, specially addressed letters and 760,000 books.

More than 10,000 transcriptions, carrying 15-minute radio talks on national issues, besides frequent national hook-ups for representatives of the committee.

Three hundred and fifty thousand telegrams to citizens to arouse them to action on great issues.

Many thousands of releases to daily and weekly newspapers—full pay advertisements in 536 different newspapers with a combined circulation of nearly 20,000,000.⁷⁴

To these figures, the booklet adds an extraordinary footnote "Throughout its 7 years, the committee has not spent one dollar for lobbying."⁷⁵

Furthermore, the activities of the Committee for Constitutional Government have been greatly expanded since 1944. In the distribution of books and pamphlets, for example, E. A. Rumely, executive secretary of the Committee, testified that his organization had distributed "close to 700,000" copies of *The Road Ahead* since the book's publication in 1949.⁷⁶ The Committee has also widely distributed copies of numerous other publications such as *Why the Taft-Hartley Act?*, *Labor Monopolies or Freedom*, and *Compulsory Medical Care and the Welfare State*. These facts and figures are certainly more than enough to establish that the Committee for Constitutional Government exerts "substantial effort" in connection with national issues. What of "intent to influence legislation?" We submit that any fair-minded person who has the time and patience to read a substantial part of the publications distributed by the Committee for Constitutional Government can reach no reasonable conclusion but that such intent is present in overwhelming abundance. In both books and pamphlets, frequent reference is made to specific legislation pending before Congress. John T. Flynn's *The Road Ahead*, for example, includes sharply critical analyses of the proposed Columbia Valley Authority, of national health insurance, the Spence bill, the Brannan plan. Melchior Palyi's *Compulsory Medical Care and the Welfare State* is also concerned with health insurance legislation. The reader of these and other Committee for Constitutional Government materials is exhorted again and again to write his Congressman, to send a copy of the book or pamphlet to the Congressman, and to distribute the material as widely as possible. The reader is not only urged to accept a point of view, but to act as well.

This sort of material clearly indicates intent to influence legislation. But Mr. Rumely does not so concede; to do so would be to admit that the reports under the Lobbying Act filed by the Committee for

⁷³ *Needed Now—Capacity for Leadership, Courage To Lead* (New York, 1944), pp. 5-6.

⁷⁴ *Ibid.*, p. 30.

⁷⁵ *Ibid.*, p. 31.

⁷⁶ *Hearings*, pt. 5, Committee for Constitutional Government, p. 109.

Constitutional Government should show the full details of its financial support. The reports as filed tell only a fraction of the facts.

One of the reasons Rumely advanced for incomplete reporting is his claim that his organization is a commercial publisher. Any attempt by Government to obtain any information about commercial publishers he brands as a violation of the constitutional guarantees of freedom of the press. As to this contention, Representative Doyle stated:

A commercial publisher takes the normal risks of operating a private business. It does not beg the public for money to help it carry on. A commercial publisher expects to pay income tax on his receipts. It does not seek tax exemption, as does this lobbying committee. A commercial publisher is in business for profit; it is not primarily an advocate. A commercial publisher does not constantly grind out pamphlets, leaflets, books, etc., which present only one side of the subject. I appraise the pamphlets and books which this committee has put out as presenting one side of the subject.

A commercial publisher does not couple his publishing activities with incessant appeals to the citizenry to bring pressure to bear on members of Congress in order to influence legislation.

The ordinary publishers of the United States are not governed by the Federal Lobbying Act in any way, and need not file reports under it. The ordinary publisher is not attempting to influence legislation; it is attempting to make money.

The issue should not be confused by attempts of out-and-out lobbying organizations to conceal their objectives or to keep the public from being fully familiar with all their activities, including where they get their money and how they spend it.⁷⁷

The content of the publications concerned is, of course, important in determining whether or not the distributor may lawfully be required to disclose his sources of support—either before this committee or pursuant to the Lobbying Act. As Representative Brown told Mr. Rumely:

If you have any booklets * * * in which you have set forth the reasons why certain legislative proposals should be enacted, or certain legislative proposals should be defeated, and you have sent these out over the country wholesale, either as gifts or through other organizations, then I think this committee has an absolute right to demand information on them.

Mr. Rumely replied:

We have issued no such books.⁷⁸

This flat denial overlooks literally dozens of plain references to specific measures in publications distributed by the Committee for Constitutional Government. There appears on page 140 of *The Road Ahead*, to cite but one example:

What can one say now as one reads the plans that have been laid before Congress for the revival of something infinitely more fantastic than the NRA, plans which can be described as nothing less than weird.

One of these proposals relates chiefly to industry and is known as the Spence Act [sic]. The other relates to the farm and is known as the Brannan plan.

The Spence bill is specifically identified in a footnote as "H. R. 2756, introduced February 15, 1949." The Brannan plan is similarly identified as being "embodied in Senate bills 1971 and 1882" (p. 143). And in a special appendix to the Committee for Constitutional Government's edition of *The Road Ahead*, the following appears:

In our opinion, sane farm leaders and business leaders especially had better bestir themselves. If they let the Brannan plan campaign go by default, they and all of us will rue the day (p. 183).

⁷⁷ Hearings, pt. 5, Committee for Constitutional Government, p. 136.

⁷⁸ Hearings, pt. 4, National Economic Council, Inc., p. 27.

Yet, Mr. Rumely says: "We have issued no such books." Under these circumstances, Mr. Rumely's claim that the first amendment grants him absolute immunity from any inquiry is wanting in substance and must yield to the rights of the public and the Congress. Not the freedom of the press but simple honesty is at stake here.

The program of the Committee for Constitutional Government illustrates the extent to which lobbying at the grass roots has become a major effort in modern pressure politics. It also illustrates some of the difficulties which are apt to be met in making the principle of full disclosure effective. An organization like the Committee for Constitutional Government will call itself educational or a publisher, or both if the occasion demands, and then claim immunity from full disclosure. Or, to take another extreme case, the Civil Rights Congress will insist that it is "a defense organization and not a lobbying organization" in order to claim privileged status—this notwithstanding the facts that the group has registered under the Lobbying Act and has organized delegations to come to Washington for the admitted purpose of influencing legislation.

More substantial questions are raised by groups such as the Foundation for Economic Education. This organization has been granted tax exemption as an organization "operated exclusively for educational purposes," and donations to it are deductible by the donor in determining his net income. We have already commented in detail on the foundation's financial support.

The foundation as such has little direct contact with Members of Congress. Its major function is, rather, the preparation of pamphlets, booklets, and articles presenting one side of public issues. The foundation has distributed almost 4,000,000 booklets and pamphlets in the 4-year period since 1946, and it has records indicating that 389 newspapers and magazines have in some way used its articles. Furthermore, its president estimates that many times that number have actually used this material. Some of the articles are quite general in nature, but many others take definite stands on specific legislative issues. *Will Dollars Save the World* was sharply critical of the Marshall plan. *Illusions of Point Four* is self-explanatory. *So You Believe in Rent Controls?* was clearly intended to undermine any such belief. *Roofs or Ceilings*, another anti-rent-control pamphlet, was deemed so effective that the National Association of Real Estate Boards bought and distributed 500,000 copies.

It is difficult to avoid the conclusion that the Foundation for Economic Education exerts, or at least expects to exert a considerable influence on national legislative policy. The difficult questions are: "To what extent, and how directly?" Foundation for Economic Education literature contains little of the specific exhortation to action which is so much a part of the publications distributed by the Committee for Constitutional Government. It frequently deals with current legislative issues, but it deals with them in terms of generalities rather than by giving detailed arguments for or against specific measures. To what extent does this literature demonstrate intent by the Foundation for Economic Education to influence legislative policy, directly or otherwise?

The content and distribution of each booklet have considerable bearing on these questions. For example, a group may distribute, as the Foundation for Economic Education has, studies of rent control

in European countries—which present dozens of examples which might well lead people to believe that rent controls of any kind anywhere are unjust and unsound. Although these studies never mention the United States, their distribution would, we believe, constitute an attempt by the sender to influence legislation directly if they were sent to Members of Congress, as they have been, while a rent-control law was in effect or under consideration. Similarly, their distribution would constitute an attempt to influence legislation indirectly if they were sent to educators, editors, clergymen, and other community opinion leaders, as they have been, while such a law was in effect or under consideration. Is it the intent of the Foundation that its publications should have no such influence whatsoever? If so, it is difficult to understand why these publications all relate to what Mr. Read, president of the Foundation, calls “subjects high in current interest and discussion.” It is equally difficult to imagine that the Nation’s largest corporations would subsidize the entire venture if they did not anticipate that it would pay solid, long-range legislative dividends.

The situation is complicated by the fact that the Foundation for Economic Education regards itself as an organization devoted exclusively to educational purposes, and has secured legal recognition of this status through a Treasury tax exemption. As Mr. Read put it—

In my opinion, no primary or secondary school, no college or university or other institution of learning in this country is more genuinely, and with any more uncompromising honesty, dedicated to the search for truth in economics, political science and related subjects than is the foundation.⁷⁹

Mr. Read conceded that there were differences between the foundation and other educational institutions, but these, he thought, “enhance rather than detract from the educational character of our operation.” With all due respect to Mr. Read, it is necessary to point out that there is one such difference which he does not mention, and it is a difference which seriously detracts from the educational character of his “operation.” That difference is this: The true educational institution does not sponsor one point of view to the exclusion of all others. The true educational institution has no pattern to which the teacher must make his views conform, consciously or otherwise. Mr. Read cannot honestly claim that these criteria govern the Foundation for Economic Education, nor does he attempt to do so.

Our point in presenting this detailed analysis of the foundation’s activities is to suggest the problems which lobbying at the grass-roots presents relative to full disclosure under the principles of the Lobbying Act. Upon careful consideration of these problems, we endorse the views expressed by Representative Albert in his statement to Mr. Read:

However, I do feel sure that unless organizations as effective as yours in influencing legislation can be covered by a lobbying act, that the Lobbying Act is not worth the paper it is written on.⁸⁰

Both the Foundation for Economic Education and the Committee for Constitutional Government have as their major function the distribution of printed matter bearing on public issues, and this is probably the most important component in what we have called lobbying at the grass roots. Every group active in this area, how-

⁷⁹ Hearings, pt. 8, Foundation for Economic Education, p. 9.

⁸⁰ Hearings, pt. 8, Foundation for Economic Education, p. 112.

ever, has a different tone, a different clientele, a different technique of distributing its materials. The Committee for Constitutional Government promotes its products vigorously, seeking the widest possible market for them. It is currently striving to place a copy of *The Road Ahead* in every fifth home in the Nation. On June 28, 1950, Mr. Rumely testified that up to that date his committee had sent 3½ million separate post-card advertisements for the book, the first million of which sold 175,000 copies.⁸¹ The Foundation for Economic Education, on the other hand, contends that its publications are sent only upon request and that no deliberate efforts are made to sell them in bulk. Where the Committee for Constitutional Government strives to saturate the thinking of the community, the Foundation for Economic Education is content with a carefully placed sprinkling. The Foundation for Economic Education has, in fact, distributed a pamphlet called *On Distributing Literature*, in which it suggests how materials can best be placed:

In offering literature to others, whether employees or friends, any semblance of the offering as a "must" activity is not good. Such an attitude creates an unnecessary resistance. Rather, keep the effort in the realm of a voluntary opportunity. "It is yours if you like it."⁸²

These instructions are, of course, for the benefit of those persons, firms, and schools that purchase foundation literature for secondary distribution. Such sales have accounted for a substantial part of the more than 4,000,000 pamphlets which the foundation has printed since 1946.

Secondary distribution is simpler for some groups than for others. The National Association of Real Estate Boards, for example, has ready-made outlets for its material in the many member boards and individual realtors throughout the Nation. Thus the 500,000 copies of *"Roofs or Ceilings"* which the National Association of Real Estate Boards purchased from the Foundation for Economic Education were distributed through local member boards. This arrangement combines the advantages of central purchasing with the greater impact of local sponsorship.

Although groups like the National Association of Real Estate Boards have a natural advantage in secondary distribution of materials, other groups without comparable Nation-wide organizations have achieved similar results by a careful focussing of efforts. As organizations like the Committee for Constitutional Government, the National Economic Council, and the Foundation for Economic Education draw their major financial support from relatively narrow and well-defined sources, so, too, are their materials directed at those persons and groups, which are expected to have an important influence on opinion within their communities. True, the pressure group seeks maximum distribution for its product, but it seeks this distribution in terms of status and position first and in terms of ordinary people last. Mr. Rumely of the Committee for Constitutional Government gave us this illustration:

Mr. RUMELY. * * * For example, this book *Compulsory Medical Care*, we have one donor who has paid to send 15,500 libraries a copy of that book.

Mr. FITZGERALD. Who was that?

Mr. RUMELY. I won't tell you.

⁸¹ Hearings, pt. 5, Committee for Constitutional Government, p. 109.

⁸² Hearings, pt. 8, Foundation for Economic Education, p. 82.

Mr. FITZGERALD. You refuse?

Mr. RUMELY. Certainly, I refuse to tell you. Let me finish.

I am looking around now for another donor to send a copy to 15,000 editors, because we wish that book to hit the editors on the same day that the library gets it, because the editor may be moved to say something about it and build up interest in it.

Therefore, I am holding back the distribution of 15,500 to the libraries until I can find some generous, public-spirited organization or person to pay for the distribution to the newspapers.⁸³

Even more revealing is the special offer which the Committee for Constitutional Government has appended to its paper-bound edition of *The Road Ahead*:

Buy 2, 5, 10, 25, or as many more copies as you can afford, and place them in circulation among clergymen, businessmen, large and small, heads of service groups, farm leaders, editors and publishers, public officials, judges, governors, and particularly, regardless of party, Members of Congress—Senators and Representatives. This book should go to everyone in a position to disseminate ideas; to foremen, supervisors, salesman, insurance agents and, when these have been reached, to housewives and industrial employees. So that, if possible, every family in the Nation may have a copy.

The Committee for Constitutional Government has set its sights on the distribution of 2½ million copies of *The Road Ahead*, to what it calls the "opinion-molding leadership individuals of the Nation who wield the greatest influence and who will buy in large quantities and distribute in their respective circle."⁸⁴

This sort of distribution reflects accurately what most of the other mass pamphleteering groups are also trying to do. They are trying to stimulate grass-roots pressure, and they are concentrating their efforts on the strongest of the roots. Whatever one may think of their views, it is obvious that these organizations have a bold and, in some respects, ruthless conception of what makes a typical American community tick.

Mass distribution of books and pamphlets is only one of the means by which the pressure groups have sought to influence legislation through the creation and exploitation of a charged public opinion. Wherever public opinion is made, the pressure group is likely to be found. The variations are endless, but a few examples will serve to indicate the general outlines of this approach.

Many pressure groups recognize the importance of educational institutions as molders of public opinion, and a particular effort is made to reach and to utilize these institutions and their personnel to the fullest extent. There are many different approaches. The National Association of Real Estate Boards, for example, has induced colleges and universities to set up special courses in which its general point of view was taught. It has also stimulated the writing of text books on real estate, home building and management, and real estate economics, which it estimates are currently used by 127 colleges and universities.⁸⁵ Other groups like the Foundation for Economic Edu-

⁸³ Hearings, pt. 5, Committee for Constitutional Government, p. 120.

⁸⁴ The Committee for Constitutional Government labels this effort a "non-partisan educational effort." The Reader's Digest billed its condensation as a digest of what it claimed the New York Times had called one of the two "most important books about the contemporary scene that we will have this year." What the Times actually said was that "*The Road Ahead*" was one of the two most important books of the year because it was one of "the latest and most extreme manifestations of an endemic hysteria currently affecting a considerable segment of our population." In a later issue, the Reader's Digest stated that its use of the fractured quotation was inadvertent.

⁸⁵ Hearings, pt. 2, Housing Lobby, pp. 57-58.

cation include prominent educators among their officers. This is particularly useful in selling the group's activities as nonpartisan and educational. The foundation also operates a "college-business exchange program," under which college teachers spend the summer months with industrial and financial organizations, which finance the "fellowships."⁸⁶ In countless other ways the pressure groups have recognized the importance of the educational process. They do not necessarily pervert this process, but they make every effort to exploit it.⁸⁷

The pressure groups have long been aware of the power of the press and have sought to harness this power for their ends. One of the prime conditions of successful public relations is anonymity of the source; thus it is not surprising that the effort to use the Nation's newspapers and periodicals as instruments of pressure politics has been concentrated on gaining access to editorial and news columns. One way in which this can be done is discussed in the following exchange between Representative Doyle and Mr. Rumely:

MR. DOYLE. One other question: I noticed, in many California papers, what I would call standard editorials, of exactly the same text. In your processes, do you send out stereotyped editorials?

MR. RUMELY. No; we do not send out canned editorials. We send out informative information which we hope the papers will print. In a fight like this one, we picked out about 20 editorials that told our side, and sent them to all newspapers in the United States.⁸⁸

Labelling this process is less important than ascertaining its results. In this case, Mr. Rumely's material apparently proved attractive to the several dozen editors, in California and elsewhere, who printed it verbatim. The purposes which underlie activities of this kind and the means by which they are carried on are illustrated by a release sent on May 5, 1949, by the public-relations department of the National Association of Home Builders to the presidents and secretaries of local associations:

As the fight to defeat the huge public housing program goes into its last stages, it is important that you get as much local publicity in your newspapers and on the radio as possible, pointing out the evils and the faults of public housing.

Congressmen read their home-town papers carefully. They follow trends as reported in the press. If your Congressman sees stories in his papers emphasizing the failures of public housing, he will be more inclined to vote against the pending measure.

There are many ways in which you can secure publicity. Remember, however, that publicity in the press and on the radio is always founded on action. If you take action, you will get attention. Opinion alone is not sufficient. Here are some suggestions that have proven effective to obtain action and the kind of publicity you want:

Editorials

In many communities newspapers will use editorials if they are presented to them. Four suggested editorials are included. Perhaps your papers will use them or rewrite them.

If prepared editorials are not used by your newspapers, each of these can be used in another way. They can be addressed to the "mail bag" column of your newspaper as a signed letter from one of your officers. If you would prefer to use them in this way, do so. Simply have them copied as a letter addressed to the editor of your paper and have one of your officers sign it.

⁸⁶ Hearings, pt. 8, Foundation for Economic Education, exhibit D-9, p. 132.

⁸⁷ That they may pervert it has been demonstrated again and again, however. For a classic example, see pts. 71a and 81a of the Federal Trade Commission's reports entitled "Utility Corporations" 70th Cong., 1st sess., S. Doc. 92.

⁸⁸ Hearings, pt. 6, Committee for Constitutional Government, p. 117.

Fact sheet

Because the pending housing legislation is so complex, a fact sheet is always helpful to newspaper editors, reporters, and radio commentators. One is enclosed. If you want additional copies, let us know. Distribute these to anyone who is in a position to influence public opinion.⁸⁹

An even bolder example of stereotyped materials is provided by the "Sylvester Says" series of the National Retail Lumber Dealers Association. These quarter column releases, many of which take stands on specific legislative issues, are distributed in mats to 1,400 newspapers by Western Newspaper Union, a nationwide syndicated news service. The source is indicated on the mat, but not in the individual releases. In this way, the lumber dealers have presented their views to at least 4,000,000 readers who had no inkling of the material's source. The association's publicity director declared:

If it were paid for at an advertising rate of \$500 per page (Washington Post rate is \$658.80 on contract) the free space occupied by the Sylvester feature would have cost the retail lumber dealers \$272,500.⁹⁰

Accurate figures as to the number of readers which releases of this kind are likely to reach are extremely difficult to compile. Mr. Leonard Read, of the Foundation for Economic Education, could not tell us how many newspapers and magazines had reprinted any of his organization's material, but he was certain that the number was "many times more" than the 389 which had been counted by the committee staff. He did, however, hazard the guess that the Foundation's recent Clipping No. 26 had a "reprinting in magazines, journals, and newspapers in America that would exceed 100,000,000."⁹¹ That one group can secure such widespread use of its materials suggests the tremendous potentialities of this approach.

The effort to make maximum use of the power of the press is by no means confined to the editorial pages alone, as the following National Association of Real Estate Boards release demonstrates:

SOME FACTS ABOUT NAREB'S PUBLIC RELATIONS DEPARTMENT (FIVE PERSONS)

Newspaper stories in September which resulted from releases of the public relations department came to a total of 2,500—an average of 83 a day.

The department inaugurated a weekly service to real estate editors which is now producing a regular flow of publicity on real estate pages all over the country. At least once a month the big wire services—AP, UP, INS—put it on their wires as authoritative market comment from NAREB.

The September 21 issue of the Detroit Sunday Times ran eight separate stories released by our office.

The office has been instrumental in organizing 250 local newspaper contact committees with 826 members for the purpose of getting the realtors' point of view, and the facts to back it up, before editors through local people.⁹²

Here again, NAREB shows the use to which vigorous local organization can be put. Central planning combines with the local touch to make NAREB a highly effective opinion-maker.

NAREB has used other means of getting a careful presentation of its point of view into the public press. The following exchange of letters between NAREB and the secretary of a local board illustrates another typical approach:

⁸⁹ Hearings, pt. 2, Housing Lobby, exhibit H-260, p. 351.

⁹⁰ Hearings, pt. 2, Housing Lobby, pp. 484-501.

⁹¹ Hearings, pt. 8, Foundation for Economic Education, p. 127.

⁹² Hearings, pt. 2, Housing Lobby, appendix, exhibit 187, p. 737.

AUBURN REAL ESTATE BOARD,
Auburn, N. Y., November 27, 1948.

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,
Washington, D. C.

GENTLEMEN: We are enclosing herewith a copy of the Citizen-Advertiser, Auburn, N. Y., wherein appears an editorial which is in our opinion entirely uncalled for and it is our reaction that it is a socialistic idea written specifically to the readers of this paper.

We would like to have your reaction thereto and it might be well to give a reply either from our Auburn Real Estate Board or from the writer as an individual broker in this city.

Kindly advise what you think is best to do.

Very truly yours,

A. J. LAUER, *Secretary.*

Please set up a reply.

DECEMBER 1, 1948.

Mr. A. J. LAUER,
Secretary, Auburn Real Estate Board, Auburn, N. Y.

DEAR MR. LAUER: Thank you for sending us the clipping from the Citizen-Advertiser. I am enclosing a suggested form of reply which you may feel free to use in any way you like. I am perfectly willing to send this to the editor over my own signature, but I think that this type of response can be much more effective if it comes from a local correspondent. Therefore, my suggestion is that the enclosed draft be revised as you may want to revise it, typed on the board's stationery, and sent to the editor over your signature as secretary of the board, or over the board president's signature.

Sincerely yours,

*Director of Publication Relations.*⁸³

Sometimes even the hardest of grass-roots needs a bit of fertilizer.

In the event that newspapers and magazines fail to do the job expected of them, NAREB is not in the least abashed about asking for more attention. On March 8, 1949, for example, a local member sent to the Ladies Home Journal a letter prepared at his request by NAREB's director of public relations. The letter began:

Allow me to invite your attention to a Nation-wide wave of press comment that may suggest to you a timely article in the Ladies Home Journal. I am submitting to you a few samples of clippings which are typical of a rapidly increasing number that deal with rent control.⁸⁴

Similar suggestions were made to Westbrook Pegler and Col. Robert R. McCormick of the Chicago Tribune. In the latter case, NAREB's executive secretary offered to do the writing himself.⁸⁵

No discussion of the use of the press to influence public opinion on legislative issues would be complete without reference to the meteoric growth of institutional or editorial advertising, that is, paid advertisements for ideas rather than for products, and particularly for ideas which relate directly or inferentially to public issues. This practice developed phenomenally during World War II when the tax structure made it prudent to keep operating costs high and profits down. It developed, in fact, to such an extent that the format of the American newspaper and magazine has been quietly revolutionized. It is no longer any novelty to see full-page advertisements in which the Association of American Railroads reminds us that the truckers should pay more for their use of the highways; or in which local affiliates of the National Association of Home Builders warn that public housing is pure socialism.⁸⁶ But editorial advertising of this kind is not limited

⁸³ Hearings, pt. 2, Housing Lobby, appendix, exhibits 174 and 175, pp. 716-718.

⁸⁴ Hearings, pt. 2, Housing Lobby, appendix, exhibits 180 and 181, pp. 731-732.

⁸⁵ Hearings, pt. 2, Housing Lobby, appendix, exhibits 103 and 104, pp. 611-612.

⁸⁶ Hearings, pt. 2, Housing Lobby, appendix, exhibit 100, p. 748; exhibits H307, H308, H309, H310, facing p. 370.

to lobbying organizations. It is, rather, increasingly the province of separate business concerns, labor unions, and other such organizations not established primarily for the purpose of influencing legislation.

Two different problems arise in connection with these efforts to affect public thinking. The considerations involved in public issues are not always reducible to one-page summaries; overstatement and oversimplification are apt to create a condition in which reasoned public thinking and calm legislative judgment become increasingly difficult.

The second problem relates once again to full disclosure under the Lobbying Act. Few corporations have reported under the act, and those few generally neglect to state their institutional advertising expenses. Lobbying organizations which report have shown similar reluctance to disclose their expenses in this area. The relevancy of most of this advertising to public issues is quite clear and, consequently, its cost should properly be made a matter of public record.

The foregoing techniques of stimulating public pressure on legislation all involve the press, but the struggle for the nation's mind does not end there. Every possible means of reaching people is utilized. The potentialities of media such as radio have already been effectively exploited, and new potentialities have been discovered in something so old as one person speaking to others.

So far as radio is concerned, the NAREB has developed techniques which virtually guarantee an effective presentation. Here again, local organizations assume the responsibility for action while the national association develops the raw materials on which the local effort is based. For those local boards which so desire, NAREB provides both ready made scripts and transcriptions recorded in Washington. In addition, the national association stimulates local boards to gear themselves to handle their own programs without constant aid or supervision. To this end, the Association at one time sent "radio committeemen" to various communities to set up radio programs for local boards. The public relations department also organized 226 "realtors' radio clubs" with 724 members. It serviced these clubs with sample scripts, program suggestions, and material for use in discussion programs.⁹⁷ Probably the most ingeniously devised of this material was a list of 90 key paragraphs sent to all local boards and state associations under the heading "Homes for Americans by Democratic Process." The use to which these paragraphs were to be put was pointed out in an accompanying letter signed by Calvin K. Snyder, secretary of the Realtors' Washington Committee:

For your convenience, we have again assembled the paragraphs into a practical arrangement which will permit talks of varying length—a series of 5-minute radio talks or in a series of brief newspaper editorials—by members of your speakers' committee.

For example, What Do We Mean by Free Competitive Enterprise? is a 5-minute talk or editorial comprising the following paragraphs: Introductory, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 25, 26, 27, 28, 29, 86.

Another subject, Can Average Income Folks Buy a Home? may be covered by using the following paragraphs: 6, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 11, 10, 82.

⁹⁷ Hearings, pt. 2, Housing Lobby, appendix, exhibit 187, p. 737;

After suggesting four other combinations of varying length and emphasis, Mr. Snyder adds this characteristic warning:

These suggested speeches have been prepared with the thought that they will conserve your time in the preparation of public-information talks and published articles by members of your speakers' committee. Please revise them in any manner that fits your local needs best.⁹⁸

Another series had the general title "All Americans Are Lobbyists," and Mr. Snyder suggested that one particular selection of paragraphs might actually be entitled "I'm Proud To Be a Lobbyist." This last is a little difficult to reconcile with the fact that NAREB and Herbert U. Nelson registered under the Lobbying Act only after a year and a half of prodding from the Department of Justice.

These materials indicate that NAREB is much concerned with what local members say on radio programs and before other public gatherings. It is equally concerned with how they say it, as the following circular letter attests:

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS,
Washington, D. C., March 25, 1949.

To the Board of Directors and the Executive Council of the Realtors' Washington Committee, NAREB:

This is it. NAREB's "Tell-Others School."

It will be held in Chicago at the La Salle Hotel Monday and Tuesday, May 9 and 10, beginning promptly at 7:30 a. m., with breakfast and continuing through Tuesday evening dinner.

Enrollments will be limited to 100 because of lack of facilities and because of teaching problems. Eligibility to this school is limited to those to whom invitations are extended.

This "Tell-Others School" is primarily for NAREB's leadership. It is a pilot school for other courses that we hope will be held in various States.

There will be no enrollment fee. Each enrollee, however, is asked to pledge himself to be on hand for the 7:30 a. m. breakfast on Monday morning, May 9, and to stay through all of the sessions. We do not want to give time, money, and effort on part-time students.

The dean of the school will be Dr. Richard Hutcheson, president of the famed Washington School of Speech and Drama. The story of his work was recently dramatically told in the Saturday Evening Post. Assisting him will be Dr. Guy David Powers, of Queens College, New York, one of the best coaches in the country, and also Bob Laneract, of the speakers' bureau of RWC.

Some of our greatest orators in public life take lessons from these men on how to appeal to different types of audiences and how to put their arguments over.

Some of NAREB's past presidents as well as officers have already indicated their desire to take part.

This school is being paid for out of the speakers' bureau fund of RWC.

You'll get a lot of pleasure and future returns out of this 2-day school if you give it all your time and thought for the 2 days.

There will be no publicity on this school because we would be embarrassed by a large number of applications for enrollment. Therefore, we want to start with NAREB's leadership, which is you.

Please sign the enclosed enrollment blank and be prepared to arrive in Chicago on Sunday afternoon or evening preceding the opening of the school so that you can start with the rest.

Remember the initiation ceremony into NAREB's "Tell-Others Club" begins promptly 7:30 a. m., Monday, May 9, at the La Salle Hotel in Chicago.

Sincerely,

HERB NELSON,
*Executive Vice President.*⁹⁹

⁹⁸ Hearings, pt. 2, Housing Lobby, appendix, exhibit 201, p. 751.

⁹⁹ Hearings, pt. 2, Housing Lobby, appendix, exhibit 206, p. 773.

What the NAREB hoped to accomplish with this "Tell Others School" is revealed in a memorandum from Mr. Robert J. Lancraft, director of RWC's speakers' bureau, to all enrollees in the school:

When you have completed this course we hope that you will avail yourself of every opportunity to "tell others" in your home city and its environs. Members of Rotary, Kiwanis, Lions, the Business and Professional Women, Quota, Zonta, the Parent-Teachers' Association, the veterans and union organizations, the Farmers' Union, Democratic and Republican clubs—all of these are thinking people who are fundamentally sound. They will welcome the factual information that you can give them. We hope you will do so.

It is obvious that the small number present at this "Tell Others School" cannot do the whole job. It is the hope of the executive committee of NAREB and the realtors' Washington committee that you will participate in forming speakers' committees in all local and State boards of realtors. A school in public speaking for realtors, similar to this program, either at the State level, or the local level, in larger cities, should prove most beneficial in helping brokers tell the story with a human interest twist. We shall be very happy to help you plan such a program.¹

Another memorandum from Mr. Lancraft indicates the kind of training which the enrollees were given:

Students were issued a speakers' kit prepared by the RWC speakers' bureau chief; 15 separate specimen speeches were written and distributed, to cover the subjects of rent control, public housing, slum clearance, RWC activities; talks were written for a special approach to various types of audiences; for example, a woman's group, students, business executives, labor union members, veterans' and others.

This same memorandum also describes some of the other functions of the speakers' bureau:

Within the last 5 months the speakers' bureau has prepared speech material for approximately 125 brokers, college and high school students, and business executives. Some were used in public forums, before trade association groups, over radio stations, in classroom debates and before service clubs. It is significant that those who have used our material were often executives in a business completely foreign to real estate. For example, an oil company executive in New York addressed an audience on rent control and public housing. So did a railway executive. We have frequently written talks for public use by friendly Congressmen; many of these have been placed upon the Congressional Record. Approximately 25 mailings of ready-to-use speeches have been received by members of speakers' committees, presidents and board secretaries; five special talks, expressing the feminine point of view were written for use by an active committee of the Women's Council.²

NAREB is by no means the only lobbying organization to recognize that every method of reaching peoples' minds is of some utility in the effort to create a reservoir of public support for group aims. But NAREB has been unusually successful in translating this conception into action. Aided immeasurably by the financial and human resources of its Nation-wide organization, NAREB has fitted every conceivable media of communication into its over-all planning. Its plans are not necessarily more ambitious than those of other groups; it has simply had better opportunity to realize them.

This all-out drive on the Nation's mind is, then, the major emphasis in modern pressure politics, and what is true of NAREB is becoming increasingly true of all of its important counterparts. No means of affecting men's thinking, no institutional opinion process, no mechanical innovation is overlooked. Direct efforts to influence legislation have not disappeared, but they are becoming ever more incidental to this carefully thought out and sharply focussed attempt to capture public opinion.

¹ Hearings, pt. 2, Housing Lobby, appendix, exhibit 214, p. 783.

² Hearings, pt. 2, Housing Lobby, appendix, exhibit 218, p. 788

(g) *Pressure on many fronts at once.*—The pressure group cannot be satisfied. If it fails to achieve its aim at once, it keeps fighting to achieve it. If it gets what it wants, then with very few exceptions it wants something more. This is part of what was meant by the earlier reference to lobbying as inherently expansive. One-shot organizations, groups which fight for specific objectives and fold up shop when they have won them, are relatively few in number. There is an institutional momentum which tends to limit pressure group mortality.

But lobbying is inherently expansive in an even more significant sense. We refer to the fact that modern pressure politics is not and cannot be confined to legislative policy alone. One of the oldest textbook truisms about lobbying is that it is nonpolitical in the sense that pressure groups are interested only in issues and not in men. We think, however, that our investigation provides evidence to the contrary; a majority of the groups which we investigated were in some degree engaged in influencing the outcome of elections. This is not said in condemnation, express or implied, but simply as a statement of the facts.

Either success or failure can prompt a pressure group to turn from issues to elections. The Committee for Constitutional Government, for example, could with some reason claim to have exerted considerable influence in the defeat of President Roosevelt's Supreme Court plan in 1937. Logically enough, the Committee for Constitutional Government was extremely busy during the 1940 Presidential campaign; you do not, after all, brand a Presidential measure as a dictatorial usurpation of power and then stand idly by when this same President runs for office again. Mr. Rumely of the Committee for Constitutional Government is, of course, very sensitive to any suggestion that his organization is at all concerned with the outcome of elections. Such efforts would require the reporting of contributions under the Corrupt Practices Act, which the Committee for Constitutional Government has never done. The following exchange occurred between Representative Doyle and Rumely on this point:

MR. DOYLE. Do I understand, Dr. Rumely, then, that in the function of your committee you do not undertake to effect the election or reelection of Congressmen.

MR. RUMELY. We have never opposed or favored any party or any candidate as such.

MR. DOYLE. I am not talking about party; leave party out of it. I am not directing the question to party. Do I understand your program is not designed to, in any degree, have the effect of political action on candidates for Congress?

MR. RUMELY. Our program is not designed to affect, help, or hinder either party or any candidate. It is designed to put out what we believe are the principles of free enterprise and constitutional government. When we project those ideas, sometimes the people draw conclusions from them; but that is their business, not ours.

Or again, a few minutes later:

MR. DOYLE. But do you take, directly or indirectly, stands for or against candidates for Congress * * * ?

MR. RUMELY. If you want to call this, we believe that labor monopolies are bad-----

MR. DOYLE. No, no.

THE CHAIRMAN. Stands for political candidates, was the question.

MR. DOYLE. I am not asking you, Doctor, to make a speech on labor monopoly, or any other monopoly. I am asking you a simple question-----

MR. RUMELY. We never, directly, take a stand for the election or defeat of a Member of Congress; but we do have material that flows out.

MR. DOYLE. All right.

Mr. RUMELY. That might indirectly affect the thinking of the constituency. The Road Ahead affected the thinking in Florida. But we are entitled to do that. Mr. DORLE. All right; thank you very much.³

No one denies that the Committee for Constitutional Government is entitled to do this. The question is not one of rights but of the obligation, which every organization like Committee for Constitutional Government has, of complying with the law—in this case the Corrupt Practices Act. Mr. Rumely is quite naturally skittish about admitting political activities since his organization has not complied with this act, which requires basically the same kind of full disclosure that the Committee for Constitutional Government refuses to make pursuant to the Lobbying Act.

Success in lobbying prompts groups like the Committee for Constitutional Government to enter the political arena, but failure is even more likely to be the motive force behind political action. Organized labor is the classic example. After generations of strictly enforced "nonpartisanship," labor recognized that it could never hope to gain its ends through direct lobbying alone. Labor did not relinquish legislative pressure; rather it developed separate political arms to supplement that pressure.

Political intervention by pressure groups is not, of course, confined to specific electoral contests. It is equally important to take a hand in shaping the issues on which these contests are waged. On July 2, 1948, Calvin K. Snyder of the Realtors Washington Committee wrote to Herbert U. Nelson of NAREB:

But the public-housing lobby did not let up with the adjournment of Congress. They carried their fight to the Republican Convention. And there, with the help of Dave Childs, and others, we were able to get a housing platform which is reviewed in the enclosed copy of Headlines. Still the public housers were fighting away. In the closing hours of the Republican Convention an innocent-looking little resolution almost got by. It said in part that, irrespective of the platform adopted by this convention as the policy of the National Republican Committee, the convention go on record in favor of public housing, slum clearance, and all the rest. It was an 8-point program and would have repudiated the action taken by the platform committee and unanimously approved by the convention. There were less than 500 delegates and alternates on the floor when these resolutions were offered and practically railroaded through. But the alertness of a congressional friend stopped this resolution from seeing the light of day. In less than 15 minutes the convention was over, without endorsement of public housing.⁴

The crucial factor in any national pressure group's political potential is usually the extent of its local organization. Without well organized units in a substantial number of States and congressional districts, a national group has little chance of lasting political success. Once again, groups like NAREB with a large, alert and well-distributed membership are in a particularly advantageous position. NAREB's system of congressional "contacts" has already been described. This system provides a quietly effective nucleus for political action. The following letter from Calvin K. Snyder, secretary of the Realtors' Washington Committee, indicates how the system operates:

MISS LENORE P. HANSEN,
Columbus Real Estate Board,
Columbus, Ohio.

APRIL 15, 1947.

DEAR LEE: For the first time in weeks we have enough of a breathing spell to acknowledge your letters of March 29 and April 11.

In the first place, the job that you folks are doing on Senator Taft is starting

³ Hearings, pt. 5, Committee for Constitutional Government, pp. 159-161.

⁴ Hearings, pt. 2, Housing Lobby, appendix, exhibit 315, p. 870.

to pay off. The quiet and easy way in which you are handling your political contacts there is quite disturbing to the Senator, from all reports that I get, and I think you are on the right track. The more subtle that you can be, the more effective you are. You do not need to exert a public-relations campaign in the press or on the radio. That only helps the Senator. The behind-the-scenes operations with his political cronies are what counts. In my opinion this is no time for public opinion pressure. It is time for political insighting without fanfare.

Keep up the swell work, Lee. We need every ounce of help we can get.

And thanks for the editorial from the Columbus Citizen and your reply. It is to the point and beautifully done.

Kindest personal regards and best wishes to all of you.

Cordially,

CALVIN K. SNYDER, *Secretary*.⁵

Other groups make their political weight felt in other ways. In a letter of July 29, 1948, to executives and legislative representatives of CIO affiliated unions, Nathan Cowan, CIO legislative director, wrote:

In every letter, every wire, every phone call, remind your Congressmen we'll remember the record in November.⁶

This committee is convinced that most lobby groups of any consequence are to some extent involved in influencing elections. Today's legislative stakes are too high for such groups to abstain from working for the election of candidates most likely to favor their demands. This positive participation in influencing elections is an important consideration often ignored by political scientists. More important, however, is the negative participation of pressure groups in elections. The very essence of a pressure group is that it is a body of people who want something. If the present object of their pressure does not give them what they want, they may turn to another candidate at the next election.

Consider, for example, this letter, dated July 6, 1949, from Mr. Joseph T. King, legislative counsel for the National Retail Lumber Dealers Association, to Mr. Warren E. Carter of the Carter-Jones Lumber Co. of Akron, Ohio:

DEAR MR. CARTER: I want to express my appreciation for your splendid work in connection with the housing fight. It was a hard fight to lose but from it we gained experience that will stand us in good stead in the future. I guess you will have to purge Mrs. Bolton as she is the only Republican that deserted the Ohio delegation. The Democrats, of course, voted true to form.

With kind personal regards, I am,

Sincerely,

JOSEPH T. KING.⁷

Each Member of Congress has this basic truth in his mind in all of his dealings with pressure groups and their members. He knows that each pressure group believes its program to be meritorious, and in the public interest. It is only logical to assume that they may oppose him at the next election if he does not vote in accordance with their views. As Mr. King put it in a letter of July 20, 1949, to Mr. Willard F. Terrell, president of the Northeastern Retail Lumberman's Association:

There is lots of logic in your observation that Congressmen will vote for those things which will produce votes back home. It seems to follow that we must convince the Congressmen that lumbermen's votes have influence. The results of the last election were a terrible handicap on our efforts.⁸

The prime question which we raise about this growing and inevitable juncture of lobbying and politics relates once again to the principle of

⁵ Hearings, pt. 2, Housing Lobby, appendix, exhibit 318B, p. 885.

⁶ Hearings, pt. 2, Housing Lobby, appendix, exhibit 475, p. 1099.

⁷ Hearings, pt. 2, Housing Lobby, p. 481.

⁸ Hearings, pt. 2, Housing Lobby, p. 483.

full disclosure. National groups or their representatives may register and report under the Lobbying Act or under the Corrupt Practices Act, or under both. But the compliance of local adjuncts of national organizations—and it is these which do the effective political spade work—is negligible. It is unrealistic to look for full disclosure by national organizations when local units are mounting the major effort.

Several other aspects of the inherent expansiveness of modern lobbying deserve brief attention. We have already indicated the extent to which local efforts are geared to the programs of national organizations. In soliciting funds, in distributing literature, in stimulating grass-roots pressure, the local organization has a vital role to play. This applies not only to efforts to influence congressional policy but to similar efforts directed toward State and local legislatures as well. While much is made of the growth of Federal power, the powers of the States and municipalities have also grown markedly in recent years, and it is this circumstance which largely accounts for the growing interest of national groups in local and State legislation. Wherever the power of government is exercised, there lobbying is to be found.

The meshing of national with State and local legislative policy in certain areas is also partially responsible. Federal rent-control legislation providing for local option on decontrol is a good example of this. Needless to say, the National Association of Real Estate Boards followed this issue closely and gave counsel freely to its local members.⁹

A final important aspect of the broadened lobbying front is the increasing pressure being brought to bear on administrative agencies by private groups. This development, too, is illustrative of the way in which private interests adjust to the realities of public power. Within a single generation, the authority of administrative agencies to make rules and adjudicate disputes has expanded beyond traditional limits. As this type of power grew, as we saw the development of what has since been called "the administrative state," those parties affected by binding administrative decisions recognized that influencing policy in this area is, in some respects, as important as influencing congressional policy. For example, with public housing and rent-control legislation enacted by Congress, NAREB carries the fight to the administrative level to secure whatever mitigation it can in the implementing rules and regulations which are necessary to put this legislation into effect. The problem and NAREB's effort to meet it are described in a letter of July 2, 1948, from C.K. Snyder to H. U. Nelson:

Meanwhile I have started conferences with [Housing Administrator] Tighe Woods and will meet with him next Wednesday for the purpose of discussing the new regulations that are to become effective July 10. I am enclosing a copy of the press release in which he explains the changes. Tighe was very cordial when I talked with him today, and I think that you have opened the door for us to continue a cordial and constructive relationship with him.¹⁰

Wherever government has power to act, efforts to influence this action are inevitable. When virtually all major public laws require some degree of administrative implementation, an interested group will naturally seek to maximize its gain or minimize its injury by bringing all possible influence to bear on administration. Here again,

⁹ Hearings pt. 2, Housing Lobby, appendix, exhibits 160-165, pp. 692-704.

¹⁰ Hearings, pt. 2, Housing Lobby, appendix, exhibit 315, p. 879.

full disclosure is the big problem. It is less than realistic to confine the principle of full disclosure to lobbying activities on the legislative level when an increasing proportion of these activities are taking place elsewhere.

The long-run problem may well be one which no lobbying law can solve, however. It is the problem of who is to exercise the power of government, and to what ends. The House Lobbying Committee of 1913 had a remarkably prophetic insight into the kind of world which the pressure groups of a generation ago were trying to build when it said that the National Association of Manufacturers was—

* * * an organization having purposes and aspirations along industrial, commercial, political, educational, and other lines, so vast and far-reaching as to excite at once admiration and fear—admiration for the genius which conceived them and fear for the effects which the successful accomplishment of all these ambitions might have in a Government such as ours.¹¹

What the House committee said of the NAM in 1913 can be said with even greater cogency today of many other organizations as well.

(h) *Massed effort in lobbying.*—The age of competition continues to give way to the age of solidarity in lobbying as in most other aspects of American life. Lobbying in its inception was a highly individualized process; one person or his agent attempted to influence congressional action. But as our economic system has developed, the raw materials of public policy have become organized rather than individual in character. The legislative issues of today are conceived primarily in terms of groups and of group interests rather than in terms of unorganized individuals.

This group interest in modern legislative policy is often regarded as an unwritten guaranty that will prevent large-scale lobbying from becoming dangerous to our representative system. The natural conflict of group demands, it is said, is a sign of competition for congressional attention. So long as this competition exists, no one group has any chance of becoming strong enough to challenge public power.

This is a consoling proposition, but it is not descriptive of the realities. Traditionally, the lobbyist or the pressure group played a lone hand, seeking nothing more from other interests than to be left unmolested. However, the developing pattern in lobbying has been one of cooperation, combination, and massing of effort. In its simplest and oldest form, this process is demonstrated by the swift growth of trade associations since the First World War. These organizations have assumed central authority for pressing the particular industry's case before Congress and the public.

Cooperation within so obvious a functional area as an industry is understandable, although it does some violence to our common belief in competition. Beyond this functional unity, however, there is a growing joint effort in lobbying by groups whose unity is philosophical rather than functional in character. The ties between these groups are often a matter of tacit understanding rather than formal arrangement; but the general theme of combination instead of conflict grows bolder and more insistent every year.

This emerging pattern of solidarity in pressure politics cropped up repeatedly during our investigation, but nowhere was it better demonstrated than in the operations of NAREB. The primary target of this organization is, of course, public housing legislation and it has

¹¹ 63d Cong., 2d sess., H. Rept. 113, reprinted in Congressional Record, vol. 51, pp. 505-534.

not been fighting this battle alone, as a letter of May 26, 1949, from C. K. Snyder to the Pittsburgh (Pa.) Real Estate Board shows:

You asked what groups outside of our organization were supporting our position in Congress. Some of them include United States Chamber of Commerce, National Retail Lumber Dealers Association, Mortgage Bankers Association, United States Savings and Loan League, National Lumber Manufacturers Association, Structural Clay Products Institute, Building Products Institute, Producers Council, National Association of Home Builders, Farm Bureau, and National Grange.¹²

This might be called merely a sympathetic relationship between NAREB and outside groups. In still other cases, the relationship is more specific and formalized. There are, for example, exchange directorships between NAREB and several other groups, notably State and National chambers of commerce. The following letter from C. K. Snyder illustrates how this joint effort was set up:

DECEMBER 20, 1948.

Mr. JOHN C. HALL,
*President, Alabama Real Estate Association,
Birmingham, Ala.*

DEAR MR. HALL: Through the efforts of the Chamber of Commerce of the United States a meeting was recently held here in Washington of a group of State chambers of commerce for the purpose of considering housing legislation in the coming session of Congress.

It was felt to be intelligently informed on this legislation that building industry groups composed of the State representatives of the various segments of the building and home financing industries should get together at the State level.

For this purpose, you will shortly receive a call from Mr. John M. Ward, executive vice president of the Alabama State Chamber of Commerce, asking you to attend such an organization meeting. I am sure you will find that this will be very helpful in our national legislative program. We are cooperating with the United States Chamber of Commerce in setting up these meetings for the mutual benefit of all organizations concerned.

I am sending a copy of this letter to Mr. Ward and Mr. F. Stuart Fitzpatrick, manager of the construction and civic development department of the United States Chamber of Commerce. We will be pleased to keep you fully informed on national legislative matters to make it possible for you to coordinate at the State level more effectively our national program.

Cordially yours,

CALVIN K. SNYDER, *Secretary.*¹³

NAREB's tie with the National Association of Home Builders is even more intimate. This solemn concordat between the two organizations was adopted in 1943:

RELATIONSHIP BETWEEN NAREB AND NATIONAL ASSOCIATION OF HOME BUILDERS

Be it resolved, For the purpose of promoting home ownership among the people, protecting home ownership, and advancing the interests of the home building industry, and those who serve it, the National Association of Home Builders of the United States and the National Association of Real Estate Boards agree to cooperate and for those purposes hereby declare themselves to be affiliated.

It is agreed that as evidence of this affiliation the president of the National Association of Home Builders of the United States or his designee shall ex officio during his term of office be a member of the board of directors of the National Association of Real Estate Boards and that the directors of the National Association of Real Estate Boards shall each year appoint one of their number to serve as a director on the board of directors of the National Association of Home Builders of the United States.

It is agreed that the two associations will assist one another in developing a Nation-wide and truly representative membership in both organizations.

It is agreed that the National Association of Home Builders of the United States will recognize such units or chapters of home builders as are affiliated

¹² Hearings, pt. 2, Housing Lobby, appendix, exhibit 31, p. 649.

¹³ Hearings, pt. 2, Housing Lobby, appendix, exhibit 40, p. 669.

with local real-estate boards now and which are truly representative of the industry within the jurisdiction of such boards. Whenever such chapters are recognized by the National Association of Home Builders of the United States and admitted to its membership, then said association will not admit home builders to national membership except through affiliation with such local chapter or unit.

It is agreed also that on matters of broad public policy affecting both the home-building industry and the real-estate business in which both associations may be interested, the officers of the associations shall, in order to promote unified and cooperative action, consult with one another upon such matters if it appears that differences of opinions might arise and that joint action should be taken whenever possible.

To facilitate cooperative action during the present emergency conditions it is further agreed that the executive vice president of the National Association of Home Builders of the United States shall also be its corporate secretary and that the executive vice president of the National Association of Real Estate Boards shall be appointed as real estate and legislative counsel by the National Association of Home Builders of the United States under such conditions as may be determined by the National Association of Home Builders of the United States and National Association of Real Estate Boards.

Adopted by NAHB May 5, 1943; by directors, NAREB May 7, 1943.¹⁴

Where NAREB does not have any formal liaison with other groups, it frequently makes friendly overtures to them, soliciting aid for what is primarily NAREB's own fight. NAREB has approached such groups as the American Legion, the American Medical Association, and the National Association of Manufacturers. It has even sought to enlist the support of organized labor. In a letter of July 26, 1949, Herbert U. Nelson wrote to the head of CIO's Housing Committee:

I will be in Washington for a day or two next week and want to give you a ring if you are in town. As I said to you once before, the biggest customer we have for the houses we build are the members of organized labor. They can oppose us in many things, but certainly there are also some things on which we could work together.¹⁵

A comparable joint effort exists on the other side of the public housing issue. The National Housing Conference, for example, includes among the supporters of public housing the following groups: American Legion, Catholic War Veterans, Federal Council of Churches of Christ in America, National Conference of Catholic Charities, National Council of Jewish Women, Young Women's Christian Association, United States Conference of Mayors, American Council on Education, American Federation of Labor, Congress of Industrial Organizations, National Association of Parents and Teachers, National Association for the Advancement of Colored People, and the League of Women Voters.¹⁶

Everywhere the pattern is the same; if there are no formal working arrangements between groups, then there are informal arrangements, personal understandings, and the like. Edward A. Rumely, of the Committee for Constitutional Government, denies, for example, that there is any link between his group and Merwin K. Hart's National Economic Council; but he and Mr. Hart have met and corresponded with each other far more frequently than would total strangers. Similarly, frequent and friendly correspondence between Mr. Rumely and Mr. Leonard Read, of the Foundation for Economic Education, hardly suggests that the Committee for Constitutional Government and the Foundation for Economic Education are working at cross purposes.¹⁷

¹⁴ Hearings, pt. 2, Housing Lobby, appendix, exhibit 45, p. 566.

¹⁵ Hearings, pt. 2, Housing Lobby, appendix, exhibit 85, p. 599.

¹⁶ Hearings, pt. 2, Housing Lobby, appendix, exhibit N-1-a, p. 1292.

¹⁷ Hearings, pt. 8, Foundation for Economic Education, pp. 120-124.

The increased pooling of effort on the lobbying front includes more than attachment to common principles and agreements to work in harmony. Joint effort equally means mutual financial support. Thus a number of foundations have contributed substantially to the Foundation for Economic Education. The Civil Rights Congress has also derived financial support from other organizations active in efforts to influence public policy.¹⁸

The growing joint effort in lobbying frequently takes the form of sales or exchanges of publications between various groups. Thus, as shown above, the National Association of Real Estate Boards purchased 500,000 copies of one pamphlet from the Foundation for Economic Education. The Committee for Constitutional Government also sold 3,000 reprints of Representative Gwinn's speech, *Public Housing—Disastrous Here and Abroad*, to the National Association of Real Estate Boards. Materials on national health insurance have been exchanged by the Committee for Constitutional Government and numerous State medical societies.¹⁹

Another measure of growing unity in lobbying is the extent to which numerous organizations depend on the same individuals, corporations, and other groups for their primary support. The same names appear on the contributors' lists of one organization after another. For example, Messrs. Lammot and Irénée du Pont, Mr. H. B. Earhart, the Volker Fund, ex-Senator Albert Hawkes, and numerous corporations are among the principal contributors to both the Foundation for Economic Education and the National Economic Council. The Messrs. du Pont also contribute to the Committee for Constitutional Government and America's Future. Mr. Irénée du Pont is also among the principal supporters of the Constitution and Free Enterprise Foundation. The approach of these organizations may differ, but each is dependent on large contributions, and when the same persons or interests contribute heavily to more than one, it is apparent they do so less because of the difference between them than because of their basic affinity. He who pays the piper—or pipers—still calls the tune.

Not only do different groups draw support from common sources but they also frequently share common personnel as well. This tendency is especially marked with respect to interlocking directorates. An analysis of five typical foundations, American Enterprise Association, National Economic Council, Committee for Constitutional Government, Foundation for Economic Education, and America's Future reveals that eight men have served as officers, directors, or trustees of at least two of the five organizations.²⁰ These organizations, although technically separate, cannot help but be closely and practically linked through their overlapping personnel as well as through the similarity of their points of view.

In some cases, the relationships are twisting and elusive but the over-all pattern is clear. Witness the formation of the National Committee to Limit Federal Taxing Powers in February 1950. Repre-

¹⁸ E. g., the Communist Party of the United States; hearings, pt. 9, Civil Rights Congress, p. 20.

¹⁹ Hearings, pt. 5, Committee for Constitutional Government, pp. 397, 394, 430, and 446.

²⁰ Robert B. Dresser (COG, NEO); Frank E. Gannett (COG, America's Future); Lamar Fleming, Jr. (COG, America's Future); J. H. Olpson (NEC, COG); Henry Hazlitt (FFEE, AEA); Edwin B. Hutchinson (FFEE, AEA); Hughston M. McBain (FFEE, AEA); O. A. Taylor (COG, NEO); Leo Wolman (FFEE, AEA).

The positions held by these men further illustrate the importance to lobbying groups of easy access to both the political process and the mass media of communication. Mr. Gannett is owner of numerous large newspapers; Mr. Hazlitt is a well-known columnist for *Newsweek* magazine; Mr. Dresser was a member of the finance committee of the Rhode Island Republican State Committee, until his recent resignation.

sentatives of at least 20 other lobby groups attended the birth of this new organization. These groups ranged from the American Medical Association to the National Association of Retail Grocers. H. U. Nelson, of NAREB, was selected as secretary-treasurer. Fred A. Virkus, chairman of the Conference of American Small Business Organizations, was named a member of the executive council. Representatives of numerous other groups were selected as officers.

A final aspect of massed effort by different lobbying groups is perhaps more illusory than real. We refer to the great wealth of seemingly independent groups which are actually created for special purposes by going organizations. The Committee for Constitutional Government has been especially prolific in this regard, having spawned at last count no less than four subsidiary organizations: Fighters for Freedom, America's Future, Constitution and Free Enterprise Foundation, and Features for America. One group specializes in the distribution of literature, another in political action within congressional districts, a third in syndicated columns and releases, a fourth in contacts with educational institutions. But what appears to be a number of distinct groups is in reality the Committee for Constitutional Government operating in several different ways. The Committee for Constitutional Government has learned well what has been called the first rule of successful pressure politics: to wit, never admit that it is only you who is talking.²¹

And so goes the process of consolidation and combination all along the lobbying front; membership groups combine with other membership groups, foundations combine with other foundations and with membership groups as well. This process is but one symptom of the continuing deemphasis on tooth-and-nail competition in all aspects of American life. It is, after all, no more unnatural for groups to join hands to influence legislation than it is for them to pool markets, fix prices, or eliminate fractious entrepreneurs who still seek the benefits of the free market. The growing joint effort in lobbying, however, has particularly serious implications in our kind of political system. In both theory and practice, this system depends on competition among groups as a check against private domination of the power of government. When this competition ceases to exist, there may develop a solid front of unified private power blocs standing squarely against government and against the inarticulate and unorganized citizens for whom government is the only effective spokesman. For all the vaunted power of government, it may prove to have neither the material resources nor the hard consciousness of purpose to withstand the all-out drive of well-financed, united, and determined private interests to control state power.

V. LOBBYING BY GOVERNMENT AGENCIES

Under our Constitution the executive branch of the Government, while separate from the legislative, is also coordinate. Article II, relating to the duties and powers of the President, provides that—
he shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

²¹ E. E. Schattschneider, *Party Government* (New York, Rinehart, 1942), p. 200.

Even the Committee for Constitutional Government's author on the Constitution has written:

* * * it was the intention of the Fathers of the Republic that the President should be an active power. In addition to conferring upon him unqualified authority to sign or veto bills passed by Congress, they command him in this clause to recommend to the consideration of Congress such legislation as he should judge necessary and expedient. Through the reports of the members of his Cabinet his information on the state of the country is complete, and he is therefore probably better equipped to make recommendations than any other man. At any rate, he is made by the Constitution an important part of the legislative mechanism of our Government."²²

During the 1930's with the rapid and complex growth of bureaus and administrative agencies, the relations of the executive branch and the Congress were fluid and sometimes turbulent. Capitol Hill felt the currents and cross-currents of official opinion and efforts on the formulation of legislative programs. In 1939, a Presidential Executive order established the Bureau of the Budget, theretofore a part of the Treasury, as an integral part of the Executive Office, and assigned to it the specific duty of "clearing and coordinating departmental advice on proposed legislation," and "making recommendations as to Presidential action on legislative enactments."²³ This reorganization was approved by the Congress. Not until the stresses of World War II had passed, however, did the Bureau of the Budget develop fully as the central clearing house for legislative proposals by the executive branch.

In formulating his various messages to the Congress the President looks to the Bureau of the Budget to obtain and coordinate the views of the interested agencies. Other proposals drafted by the departments and agencies are reviewed by the Bureau before they are submitted to the Congress to determine their relationship to the President's legislative program. In many instances committees of the Congress utilize the special knowledge and qualifications of executive agencies and request them to draft legislation or to express their views on pending proposals. Such legislative activities likewise are channeled through the Bureau of the Budget, as are the views of the departments and agencies as to whether measures passed by the Congress should be approved or vetoed by the President. The mechanics of handling these matters are set forth in Circulars A-9 and A-19 issued October 25, 1948, by the Bureau of the Budget,²⁴ and were the subject of testimony before the committee by Assistant Director of the Bureau, Roger W. Jones,²⁵ and by Administrator Raymond M. Foley of the Housing and Home Finance Agency.²⁶

Thus in furtherance of basic responsibilities the executive branch, and particularly the Chief Executive and his official family of departmental and agency heads, inform and consult with the Congress on legislative considerations, draft bills and urge in messages, speeches, reports, committee testimony and by direct contact the passage or defeat of various measures.

The position of the department head in regard to public policy issues is well described in the Report of the Task Force on Departmental Management of the Hoover Commission:

The department head must be regarded as an extension of the President's personality. He is expected to carry out any basic instructions which a President

²² Thomas James Norton, *The Constitution of the United States, Its Sources and Its Application*, p. 123.

²³ Hearings, pt. 1 pp. 133-134.

²⁴ Hearings, pt. 1, pp. 129-132.

²⁵ *Ibid.*, pp. 127-151.

²⁶ Hearings, pt. 2 Housing Lobby, pp. 463-472.

may provide for his guidance. As a consequence of campaign promises, after consultations with various party and congressional leaders, or as a matter of firm personal conviction, a President may hold certain basic beliefs about foreign policy, agricultural policy, fiscal policy, welfare policy, the conservation of natural resources, or any one of a host of vital public issues. He may then convey his point of view to a department head. It is the obligation of the department head to insure that these broad policy instructions are translated into appropriate action by the department.²⁷

* * * * *

It is no easy position which a department head must occupy under our system of government. As a member of the executive branch, his first constitutional obligation is to the President. He is at all times an assistant to the Chief Executive. But, as a part of the executive branch, he has also the constitutional obligation both to consult with and inform the Legislature, as well as to see that legislative intentions expressed through statutes are realized.

An essential aspect of the department head's role is that of public spokesman for his agency. He must personally represent the department as a whole in dealings with outside groups and with Congress. Sometimes a department head who is not particularly adept in public relations will select an Under Secretary to handle public appearances for him. But usually the department head finds that he cannot escape from many external demands upon his time.

Apart from his responsibility as spokesman, the department head has another obligation in a democracy: to keep the public informed about the activities of his agency. How far to go and what media to use in this effort present touchy issues of personal and administrative integrity. But of the basic obligation there can be little doubt.²⁸

In connection with the obligation to keep the public informed of matters within their jurisdiction, the departments and agencies carry on extensive information services through press releases, speeches, and publications. In many cases such informational activities are conducted pursuant to specific authorization or direction of the Congress. The following provisions in various acts of Congress are illustrative:

Public Housing Administration

42 U. S. C. 1407: "The Authority may publish and disseminate information pertaining to the various aspects of housing."

Department of Agriculture

5 U. S. C. 511: "There shall be at the seat of the Government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects of agriculture, in the most general and comprehensive sense of that word, * * *."

Public Health Service

42 U. S. C. 241: The Surgeon General is authorized to "(a) Collect and make available through publication and other means, information as to, and the practical application of, such research and other activities."

Labor Department

29 U. S. C. 1: "The general design and duties of the Bureau of Labor Statistics shall be to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of that word, and especially upon its relation to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, social, intellectual, and moral propriety."

Civil Aeronautics

49 U. S. C. 456: "The Administrator of Civil Aeronautics is empowered to collect and disseminate information relative to civil aeronautics * * *."

Some part of the press releases, speeches, and publications by executive agencies relate directly or indirectly to issues pending before the

²⁷ Report of the Task Force on Departmental Management of the Hoover Commission, appendix 1, p. 38.

²⁸ *Ibid.*, p. 57.

²⁹ Hearings, pt. 1, pp. 161-162.

Congress. Thus, Administrator Foley of the Housing and Home Finance Agency testified:

As I indicated to your committee at the outset, I recognize that necessarily there are other activities of the Agency which, although they are not carried on for the purpose of influencing legislation, nevertheless, may have some effect upon legislation. To cite an obvious example, we are required to submit to the President and to the Congress estimates of national housing needs and reports with respect to the progress being made toward meeting such needs. It seems perfectly obvious to me that such a report, while it may be purely factual, may, nevertheless, have some influence upon legislation, although that is not the purpose for which the report is made. Similarly, if the Administrator, or other responsible officials of the Agency, discuss, in a speech or other public statement, present conditions or trends with respect to housing needs, housing supply, housing finance, or similar matters, that may have some influence upon legislation, even though that is not its intended purpose.

More particularly, however, there seems certainly to be several specific, identifiable activities regularly carried on within the Housing and Home Finance Agency which are not intended or carried on for the purpose of influencing legislation, but which, nevertheless, could have some effect upon legislation.

One category of such activities would be various publications of the Agency. For example, we prepare summaries of pending housing legislation. These summaries are factual statements concerning the major provisions of pending housing legislation. However, I suppose it is entirely fair to assume that when such a summary is read by an individual who previously was not fully informed concerning the provisions of the legislation it may affect his views upon the legislation, and may lead him or the organization which he represents to favor or oppose the passage of such legislation and to so indicate to Members of the Congress. At the request of the staff of your committee we have already made available to you a number of typical examples of publications of the Agency relating to legislation.³⁰

It is clear that the departments, bureaus, and administrative agencies put forth a considerable effort in the formulation of public policy by the Congress, to say nothing of the public policy for which they are themselves responsible. They draft legislation, usually at the request of the President, the committees of Congress or some individual legislator; they prepare reports and offer testimony in appearances before congressional committees; through their officials and employees they have direct contact with Senators and Congressmen; finally they engage in public relations, promotional and educational activities of many kinds, some of which relate directly or indirectly to questions under consideration by the Congress.

Some of these legislative activities bear close resemblance to those conducted by private groups or lobbyists for private interests, and questions are frequently raised as to their propriety. Criticism usually centers around two major problems: (1) Are such activities so extensive as to abuse our basic separation of powers? (2) Are they financed with funds appropriated for other purposes?

Representative Halleck stated the problem as follows:

I think the legislative responsibility is lodged in the Congress and should be exercised by the Congress. I recognize, of course, not only the right but the duty of the executive to suggest and advocate measures to be enacted; however, through the years we have heard constant complaint about executive pressure or pressure from executive agencies which in some instances, it is alleged, has been so great as to really amount to a usurpation of legislative authority. Of course, the lobbying statute does not apply to governmental agencies or persons employed in executive departments. I am wondering, in my own mind, whether or not possibly the lobbying statute should not be extended to include such operations.³¹

At the outset of our hearings testimony was obtained on these problems from officials of the Bureau of the Budget and the General

³⁰ Hearings, pt. 2, Housing, Lobby pp. 467-468.

³¹ Hearings, pt. 1, The Role of Lobbying in Representative Self-Government, p. 140.

Accounting Office. The former, as noted above, is the administrative focal point of legislative activity by the executive branch. The latter is an arm of the Congress, "our watch-dog over the expenditures of the executive branch."

In connection with our investigation of the housing lobby we held a hearing on the legislative activities of the Housing and Home Finance Agency. Administrator Foley's testimony indicated that he and other HHFA officials have taken an active interest and part in legislative matters, but such activities appear to have been conducted within the administrative framework established by the Bureau of the Budget as outlined above. Various reports and other publications issued by the agency were furnished to the committee. As Mr. Foley conceded, some of these might have some influence on legislation, although they are essentially geared to the informational function of the agency.

Several specific instances of legislative activity by the State Department, the Federal Security Agency, and the Department of Agriculture were likewise studied by the committee and in most cases were the subject of public hearings.

A radio commentator on a national network and a section of the press criticized the Department of State for certain lobbying activities. State Department officials and employees were giving a series of smokers for Senators and Congressmen at a Government-owned building known as Prospect House. The purpose of such get-togethers, which were part of a broad program of legislative-executive cooperation, growing out of suggestions from the Congress, was to acquaint the legislators with the personnel, policies, and problems of the Department, to exchange views and to obtain mutual understanding and direction in the Nation's foreign policy programs, some of which might involve legislative authorization. If the expenses of such gatherings had been paid out of departmental funds, some question might arise as to the propriety and legality of the expenditures under the law prohibiting the use of appropriated funds to pay for personal service or other specified items, where they are intended to influence legislators (18 U. S. C. 1913). Investigation disclosed, however, that the expenses of the gatherings had been met out of the personal funds of State Department officials and employees. The Assistant Secretary of State for Congressional Relations, Hon. Jack K. McFall, furnished full details to the committee. With regard to the financing of the informal gatherings his report shows:

As official funds were not available for this type of meeting, the question was put to ascertain the desire of the principal officials to contribute toward the realization of such a program. Every single officer approached indicated a wholehearted willingness to participate to the extent of \$50.

The Secretary contributed \$100. All of the financial data connected with the meetings is covered in detail under tab A in the attached volume. It will be noted that with the exception of the group of 17 principal contributors (a list of which appears under tab B in the accompanying book) each State Department official attending the functions paid \$3 to cover the expense of his own participation. I should also like to point out that in our zealously to insure that the Government was put to no expense whatever for these gatherings we contributed \$2.76 to the Government as a pro rata share of the cost of lighting Prospect House on the four occasions for which it was used in this program.²²

A variety of other instances of executive activity in the legislative field were also studied. Administrator Oscar R. Ewing, an ardent advocate of public health insurance, together with several other

²² Hearings, pt. 10, Legislative Activities of Executive Agencies, p. 458.

officials of the Federal Security Administration, made a 6-week trip to England, the Continent, and the Middle East during the winter of 1949-50 at a total cost to the Government of about \$10,000. These officials met with British, European, and Israeli leaders, administrators, and others concerned with problems of civilian defense, health, education, and social security. They inspected various institutions active in these fields. Mr. Ewing testified that—

the over-all information that we gained certainly is of great value to us in the Federal Security Agency in administering the programs for which we are responsible.³³

During and after the trip, Mr. Ewing conducted press meetings and made speeches in which he referred to his findings abroad as they related to domestic problems, including the problem of public health insurance, which for several years had been under congressional consideration. This raised a question as to whether some of the expenditures of the trip were incurred as part of Mr. Ewing's efforts to influence the enactment of a public health insurance law, and if so whether they were in any way improper. The committee did not assume to act as a tribunal to try or determine violations of law, but called upon the General Accounting Office, an arm of the Congress responsible for the investigation and audit of executive expenditures, to study and report on the propriety of the use of Federal funds for the trip. The GAO made an investigation, obtained full details of the work performed and expenses incurred. In his report to the committee, the Acting Comptroller General found no impropriety in the trip or the expenditures.³⁴ The committee further conducted a public hearing at which Mr. Ewing testified on these and other matters of interest to the committee.

At the invitation of various organizations Mr. Ewing makes a considerable number of speeches on the programs and administration of his agency. Personnel in the information services of FSA sometimes assists in the research for and preparation of such speeches, and Mr. Ewing's travel expenses in connection therewith are usually paid out of Agency funds. Parts of some of these speeches have related to issues pending before the Congress, and the question therefore arose as to the propriety of such expenditures. The problem here is substantially similar to that raised in the case of Mr. Ewing's European trip. To what extent may a department or agency head properly use his public office and the funds appropriated thereto to advocate before the public measures to change, improve, or extend the programs for which he is responsible? The statutory restriction on the use of appropriated money relates to personal service to Congressmen, advertisements and communications, and therefore offers little guidance on this question. The following excerpts from our record help to illuminate the relationship of an executive official to the public:

Mr. EWING. Then do you mean every man in public life has to keep his mouth shut?

Mr. HALLECK. Certainly not. I would be in bad shape, too.

Mr. EWING. We all would.

Mr. HALLECK. You see, what this committee is trying to find out is—and understand the resolution that created the committee makes it properly a matter

³³ Hearings, pt. 10, Legislative Activities of Executive Agencies, p. 327.

³⁴ This report was published as a separate committee print entitled "Investigation of the Use of Federal Funds for an Inspection Trip by Federal Security Administration Officials to European Countries." It is reproduced in hearings, pt. 10, Legislative Activities of Executive Agencies, pp. 307-310.

for us to inquire into what Government agencies and people in Government agencies have done in respect to trying to influence legislation.

Mr. EWING. Quite so.

Mr. HALLECK. There is widespread conviction around the country that you have been right active as the head of the Federal Security Agency in trying to promote not only the President's proposal for a health program but certain other legislation, and that is the only interest I have in it. Certainly no one can expect any member of the Government, any man in public life, to be forever quiet. But, at the same time, there is also something in the statutes about people in the Government using money, public funds, in connection with the matter of legislation.

I take it you and I would agree that is a salutary thing.

Mr. EWING. That is right.³⁵

* * * * *

Mr. LANHAM. There is nothing in the law to prevent a department head from trying to help mold public opinion and exercise leadership, although I might disagree with the department head as to the content and direction of his leadership.

Mr. EWING. Not only, Mr. Lanham, do I think there is no law to prohibit it—I think it is his duty.

Mr. LANHAM. I think so, myself, for we need more party responsibility in the United States; often, however, I cannot go along with my party because of objection to some of its policies and program. Among these is the compulsory health insurance program which you sponsor.³⁶

* * * * *

Mr. HALLECK. I recognize the propriety of a man in Government making certain speeches. I think there is a line somewhere that ought to be drawn to avoid a complete usurpation of the legislative responsibility by the executive branch.³⁷

Mr. Ewing testified that in 1948 the President called on him to develop a 10-year program for health in the United States, covering medical research and education, hospitals, clinics, and related matters. Mr. Ewing decided to call a conference of medical and other experts to consider and make recommendations on the various problems involved, but public funds therefor were limited. In order to finance the conference, a nonprofit corporation was organized, at Mr. Ewing's suggestion, and some \$46,000 was obtained from the American Red Cross, the Lasker Foundation, the American Cancer Society, and several other charitable organizations. The attendants at the conference, half professional and half lay experts, were grouped into 14 sections, 13 of which reached unanimous recommendations. The fourteenth, concerned with health insurance for medical care, failed to reach agreement. Based on the unanimous conclusions of the 13 sections and on his own position with respect to health insurance, Mr. Ewing prepared an extensive report to the President of which some 59,000 copies were printed and distributed at a total expense to the Government of about \$20,000.³⁸

Mr. Ewing also testified in regard to his efforts to obtain legislative approval of the President's reorganization plan to establish the Federal Security Administration as a Department of Welfare. As a guest of the American Association of Social Workers, Mr. Ewing attended a meeting of representatives of various religious, educational, veteran, and labor groups and discussed with them ways and means of lining up senatorial support for the plan. Thereafter, Mr. Ewing invited representatives of various veterans' organizations to a luncheon at which he discussed his views on the United Medical Administration bill and the President's reorganization plan. The luncheon, held in a

³⁵ Hearings, pt. 10, Legislative Activities of Executive Agencies, p. 336.

³⁶ Ibid., p. 342.

³⁷ Ibid., p. 352.

³⁸ Ibid., pp. 355-431.

Government building, like the State Department smokers described above, was paid for by Mr. Ewing personally. Messenger employees of the Agency assisted in serving the meal.³⁹

A further instance of legislative activity by the executive branch which was considered by the committee related to the Department of Agriculture. At a meeting of Production and Marketing Administration committeemen held at St. Paul, Minn., on April 3 and 4, 1950, Secretary of Agriculture Charles M. Brannan was alleged to have delivered a speech in which he indicated his support of the farm plan which bears his name. Minority members of this Committee suggested that this speech might be in violation of 18 United States Code, sec. 1913 and that, consequently, Mr. Brannan's traveling expenses and the expenses and salaries of the Production and Marketing Administration committeemen in attendance were improperly incurred. Chairman Buchanan requested the General Accounting Office to conduct a full investigation of the circumstances and content of Secretary Brannan's speech. As it did in the case of Mr. Ewing's trip to Europe, the General Accounting Office submitted a fully documented report to us, which report has been made available as a separate committee print.⁴⁰ The following covering letter from Comptroller General Lindsay Warren summarizes the substance of the full report.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, June 20, 1950.

Hon. FRANK BUCHANAN,
Chairman, House Select Committee on Lobbying Activities,
House of Representatives.

MY DEAR MR. CHAIRMAN: In response to your letter of April 19, 1950, there is forwarded herewith a copy of report of investigation by the General Accounting Office of the meeting of the Production and Marketing Administration, Department of Agriculture at St. Paul, Minn., on April 3 and 4, 1950, at which meeting Secretary Brannan delivered an address.

This report sets out specific figures, when available, and estimates otherwise, as to the cost of the county and community committeemen attending this meeting.

Also, there is enclosed a copy of Secretary Brannan's address as made available by him, which, it is understood, was made from a tape recording of the talk as broadcast by a St. Paul, Minn., radio station. At the request of this Office, Secretary Brannan furnished certain information about the meeting by letter dated June 1, 1950, a copy of which is enclosed.

The last paragraph of your letter of April 19 concerns the propriety of allowance of the expenses of the community and county committeemen attending the meeting. In such connection, the Secretary of Agriculture, by section 388 of the act of February 16, 1938 (52 Stat. 68, 7 U. S. C. 1388), is directed to utilize State, county, and local committees as established by 16 United States Code 590h (b), and the programs of the Production and Marketing Administration are largely administered through such committeemen. As you know, the said committeemen are not regular Government employees but farmers elected to assist in carrying out the agricultural programs. To effectively carry out their duties, of course, they must be trained as to their functions and related problems and the regulations of the Department of Agriculture (par. 713.37, Regulations of the Secretary of Agriculture Governing PMA County and Community Committees) provide for meetings "when necessary to the successful administration of the program." The salary and travel expenses of the said committeemen appear to have been in accordance with rates duly established by competent authority under regulations of the Secretary of Agriculture. Also, the said salary and expenses appear to constitute administrative expenses incurred by the county committee in cooperating in the carrying out of the production-and-marketing program which the Secretary of Agriculture, by section 388b of the act of February 16, 1938 (7 U. S. C. 1388b), is authorized and directed to pay out of funds made available for such program. The meeting considered as a whole appears

³⁹ Hearings, pt. 10, Legislative Activities of Executive Agencies, pp. 432-441.

⁴⁰ The print is entitled "Meeting of Minnesota Committeemen of the Production and Marketing Administration, St. Paul, April 3 and 4, 1950." It is reproduced in hearings, pt. 10, Legislative Activities of Executive Agencies, pp. 60-100, 103-300.

to have familiarized such committeemen with the workings of the program, and it is believed that the salary and expenses of the committeemen are properly authorized to be paid as administrative expenses of the county committee under section 388b of the said act. While the said section of law makes provision for payment of the administrative expenses of the county committee, the salary and expenses of the community committeemen who assist the county committees in carrying out the program appear properly to be for consideration as an administrative expense of the county which are payable in the same way as would other administrative expenses of this county committee, such as stenographic services, their own compensation and expenses, and the like.

A report on the recent trip by Mr. Oscar Ewing, Federal Security Administrator, to Europe, requested by you, will be furnished shortly.

I trust that the information will be of assistance to you.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

Enclosures.

As a supplement to this report, we took testimony in open hearing from Mr. Charles W. Stickney, chairman of the Minnesota Production and Marketing Committee, who had arranged for Secretary Brannan's appearance at the St. Paul meeting.⁴¹ His testimony was largely confirmatory of the information supplied in the Comptroller General's report.

The legislative activities of the Bureau of the Budget, Housing and Home Finance Agency, the State Department, the Federal Security Administration, and the Department of Agriculture described above, serve to illustrate the differences as well as the similarities between Government lobbying and lobbying by private interests. The latter is done as a matter of right, the former largely as a matter of duty. As Representative Albert stated:

* * * the Constitution requires the executive branch to advise the Congress through requiring state of the Union messages * * * certainly there is a mandate that the President must meet, whereas the right to petition is a right and not a duty.⁴²

Chairman Buchanan described executive responsibilities in legislative matters as follows:

The executive agencies have a definite requirement to express views to Congress, to make suggestions, to request needed legislation, to draft proposed bills or amendments, and so on. And there is, of course, the power centered in the executive branch to overrule by veto any action of Congress which is not supported by a clear two-thirds majority of both Houses.

What I am trying to make abundantly clear here at the start is that the executive agencies have the right and responsibility to seek to "influence, encourage, promote or retard legislation" in many clear and proper—and often extremely effective—respects, and that definite machinery is provided by law and by established custom for the exercise of these rights, but that, under certain conditions, Federal funds cannot be spent to influence Congress.⁴³

Their relation to the Chief Executive and their public responsibilities on matters within their jurisdiction impose duties of leadership in matters of public policy upon officers of Cabinet and near-Cabinet rank. The traditional and statutory requirements on the dissemination of information by departments and agencies are a further expression of the duties of the executive branch which sometimes bear on legislative issues.

Where does duty end and abuse begin? Although the executive branch has fundamental obligations to perform in the formulation and promotion of legislation, it is the Congress that does the law-making. The separation of powers is fundamental in our democracy.

⁴¹ Hearings, pt. 10, *Legislative Activities of Executive Agencies*, pp. 101-146.

⁴² Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, p. 145.

⁴³ Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, p. 128.

Thus, while the executive branch has legal and traditional obligations to the Congress and the public, it is subject also to certain legal and traditional restraints. The executive branch itself has imposed controls on legislative activities of the departments and agencies. As noted above the President has established the Bureau of the Budget as the central regulatory instrument for this purpose. Circulars A-19 and A-9 issued by the Bureau of the Budget prescribe in detail the methods of coordinating and channelizing Executive suggestions and efforts on legislation. Illustrative of the rigor of these directives is the following paragraph from Circular A-19:

3. *Transmittal of agency reports.*—Each agency shall transmit to the Bureau of the Budget before submission to any committee, Member, or officer of either House of Congress four copies of each report on public bills and two copies of each report on private relief bills and shall request advice as to the relationship of the legislation to the program of the President. This requirement does not apply if the legislation and an agency report have previously been the subject of Bureau advice (and the views expressed in the subsequent report are unchanged), or if an agency is reporting on a bill which is identical in substance with a bill on which prior advice has been given. However, in both instances, reports shall include reference to prior advice received, and the required copies shall be transmitted to the Bureau of the Budget at the same time that the report is submitted to the Congress. Advice on the relationship of legislation to the President's program applies to all sessions of each Congress but does not carry over from one Congress to the next.⁴⁴

The law prohibits the use of appropriated money to pay for any personal service, communications, or other device intended to influence a Member of Congress.⁴⁵ The law also prohibits the use of money appropriated by any act for the compensation of publicity experts unless specifically appropriated for that purpose.⁴⁶ From time to time Congress has further safeguarded its independence by specific restrictions against lobbying with Federal funds in various appropriation acts.⁴⁷

In furtherance of these controls, the General Accounting Office, an arm of the Congress, makes regular audits and reports on the propriety of executive expenditures, and checks their conformity to statutory authorizations. Chairman Buchanan described the relationship of the General Accounting Office to the Congress in regard to executive expenditures affecting legislation:

The General Accounting Office, as you know, is an arm of Congress. It is our watchdog over the expenditures of the executive branch. A conscientious Comptroller General—and we certainly have one in Mr. Warren—is an effective congressional defense against any executive agency's disregard of the laws governing Federal expenditures. He has the duty of investigating all Federal expenditures, including, of course, any designed to influence legislation, and to report on all illegal expenditures. Since this office is answerable only to Congress, it can be

⁴⁴ Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, p. 131.

⁴⁵ 18 U. S. C. 1013 provides: "No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business."

"Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment."

⁴⁶ 5 U. S. C. 64 provides: "No money appropriated by any act shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose."

⁴⁷ For example, the Department of Agriculture Appropriation Act, 1950, provides: "No money appropriated by any act shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose."

completely independent of executive pressures. Thus it can give us a completely factual and objective report on a matter of this kind.⁴³

The congressional appropriation process provides another check on illegal or excessive expenditures by executive agencies. Congress retains absolute power over agency budgets. This power over the purse strings can be asserted first through careful investigation in advance of the appropriation of money; and second, through the withholding or detailed earmarking of funds. Congress has frequently exercised this power, as in the numerous appropriations acts specifically forbidding the expenditure of appropriated moneys for designated lobbying activities.

The independent investigatory authority of Congress constitutes still another safeguard against executive abuse in this area. Both the House and Senate maintain standing Committees on Expenditures in the Executive Departments. In addition, special or subcommittees, such as the Harness subcommittee of the Eightieth Congress and this select committee of the Eighty-first Congress, may be specifically created to examine the efforts of executive agencies to shape legislative policy:

The accessibility of bureaus and departments to public scrutiny, not only by the Congress but by an alert press, serves as a further very real check on improper or excessive legislative activities by these agencies. The Nation's press is constantly watchful for any questionable expenditure of public funds.

The final and most absolute check of all is that imposed by the ultimate political responsibility of administrative officers to the people. Representative Albert pointed out this basic difference between Government and private lobbying:

Don't you think, too, that there are two aspects to this thing, at least, which might have some bearing in this matter, in which the executive branch is distinct from the individual groups? In the first place, it is directly responsible to the people ultimately through the same process that Members of Congress are responsible to the people. An organized minority or majority advocating to the Congress is not responsible legally to anybody.⁴⁴

So far as democratic responsibility is concerned, it is evident that these controls over the legislative activities of executive officers are more binding than that self-restraint which is the only real limitation on lobbying by private groups.

The foregoing are but a few of the restrictions, continuously operative, which inhibit executive efforts to affect legislative policy. They are not absolute restrictions, however. If we were living in blander times, if the responsibilities of Government were not so large and difficult, one might argue that they should be made absolute. But both our domestic society and our world position demand a Government which is not afraid to speak its mind on those issues which intimately affect us all.

Government must give cognizance to the great organized interests within society, but at the same time it has the equal responsibility of speaking on those issues which transcend group lines or which have no other effective voice. We recognize today that Government cannot be captive to the narrow force of private interest, that responsible public policy is not and cannot be the product of willy-nilly submission to the demands of whatever group has the largest material

⁴³ Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, p. 151.

⁴⁴ Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, p. 145.

resources at its disposal. The true public interest in legislative policy is very often silent, but it is the responsibility of Government to ascertain this interest and to act in its behalf.

We believe that there are interests in this Nation other than those which can be mobilized along group lines, and we believe that it is the responsibility of Government—both morally and politically—to defend them. We believe, in sum, that Government must lead as well as follow; but at the same time we recognize that there are limits beyond which executive participation in legislative policy making may impinge on the authority of Congress and thus endanger our constitutional system. We should be constantly watchful that these limits are not exceeded.

VI. CONCLUSIONS

Practical causes of lobbying

For all the high gloss with which discussions of lobbying are usually adorned, it remains a very practical problem with a number of very practical causes. First among these is our long and splendid tradition of free association. Americans are free to band together as they choose, subject only to the requirements of public safety. This tradition, compounded with the high degree of group consciousness and organization, typical of any modern industrial society, has provided the raw materials from which our present system of lobbying has been built.

The tools with which this system was built were the constitutional guarantees of political freedom, especially the right of petition, of which lobbying is usually regarded as the most important expression.

The conditions in which a highly developed system of pressure politics could flourish were provided by two other unique features of our governmental arrangements. First, our political parties have grown progressively more loosely controlled and undisciplined. Pressure groups thrive on the inability or unwillingness of political parties to exercise the powers of government which they have lawfully gained at the polls. The advantages of this situation to the lobby group are obvious: lack of cohesion in the parties enables well-organized private interests to secure some of the advantages of political power without having to submit to the democratic electoral process by which this power is usually attained.

The necessarily complex structure of our Government, with its separation of powers, checks and balances, and bicameral legislature, has also contributed to the growth of lobbying. Complex government inevitably means government with bottlenecks at which pressure can be quietly and effectively applied. Thus the great pressure campaigns of recent years have relied heavily on the tactics of attrition and delay at every critical spot in the legislative process. The prevention of governmental action, and this is the aim of many lobbies, is relatively easy under these circumstances.

Finally, lobbying has reached its present proportions because our Government has always been sensitive to private demands. One successful piece of special pleading bred another and the entire system developed gradually but with irresistible momentum.

Theory of lobbying

While these practical causes are paramount, there are several theoretical considerations which underlie the present high level of

lobbying activity. We lack and have always lacked any established theory as to the proper relationship and balance between private power and the power of government. Lacking such an established theory, we have rested our thinking about lobbying on two premises: first, that lobbying is not a problem of who is to exercise political power, but is, rather, a matter of expressly granted individual rights; and, second, that lobbying is no problem in a free society because one interest can be depended upon to "cancel out" another. This process of cancellation and compromise, it is said, should produce responsible public policy.

As to the first premise, the right of petition is cited as both the cause and justification of lobbying, and rightly so. Organized groups of interested citizens have an important informational and representative role to play in our kind of government. Citizens can and should exercise their right of petition individually and through organized groups. Without this constitutionally guaranteed right of petition, our kind of free government could not exist. But we often fail to recognize that while lobbying is a necessary right which should not in any way be restricted or abridged, it is a right which is not exercised for itself alone. People and groups seek to influence legislative policy because they hope to gain thereby and not because they want to keep their rights from becoming flabby for want of exercise.

So it is that, in their public utterances, lobbyists show the utmost attachment to constitutional rights. Privately, however, they often admit that rights to them are only a means to an end and not an end in themselves. As one of the most expert of them said, "* * * organized power is the only thing that Government can take into account."⁵⁰

It is also a bitter paradox that the right of petition, one of the highest rights which democracy can bestow on a free people, is sometimes put to its most effective use by persons who are far from devoted to the principles of democracy. "I do not believe in democracy. I think it stinks," wrote Herbert U. Nelson, of the National Association of Real Estate Boards.⁵¹ Yet Mr. Nelson's organization was and is spending hundreds of thousands of dollars for lobbying, something which can only be done in a democracy such as ours.

The second major premise, that one interest will cancel out another, has been a staple of American political thinking since James Madison wrote his Federalist Paper No. 10. Unfortunately, Madison's prophecy has never matured; instead of canceling out, the pressures on Government have become cumulative. We referred earlier to the growing joint effort in lobbying, the long-run tendency of which is to break down the barriers against private domination of State power. Even if pressure groups did compete instead of join forces, the advantage in lobbying would always lie with those interests which were best organized, best financed, and had the easiest access to mass media of communication. Organized business has always gained the most from lobbying because it has had the best organization, the most money, and the readiest access to publicity. It has had, in addition, the great advantage of seeking generally to prevent rather than encourage action by broadly based popular government.

⁵⁰ Hearings, pt. 2, Housing Lobby, exhibit 23, p. 40.

⁵¹ Hearings, pt. 2, Housing Lobby, exhibit 5, p. 25. Mr. Nelson offered the explanation that he believes in a republican rather than a democratic form of government. Ibid., pp. 25-26, 45-46.

Given the strategic bottlenecks of our legislative procedure, it is far easier to obstruct than it is to create.

Could responsible public policy result from this theoretical canceling of group interests? It is not likely. While this process seems neat and automatic, it simply does not operate as it is supposed to. Even if it did, it would represent a degrading conception of democratic politics in which the highest function of government would be to yield to the strongest pressure. Absolute responsiveness to group interests is one thing, but truly responsible representative government is quite another.

All of these questions inhere in the traditional American approach to lobbying. We raise them only to indicate that while lobbying is natural in our system, and should not be curbed, the outer limits beyond which lobbying is an offense against the welfare of the whole community have not begun to be charted.

The costs of lobbying

We seldom stop to consider the legislative costs of lobbying, perhaps because it is difficult to say when a measure is the product of lobbying and when it is an accurate reflection of real public need. Still 150 years of congressional history provide dozens of clear cases in which well-organized pressures have been instrumental in the enactment of ill-considered, inequitable, or vastly unpopular legislation. In many other cases, private pressures have been responsible for the defeat, delay, or emasculation of measures having overwhelming public support. With Congress daily assuming new and complex responsibilities, the dangers of increased pressure on the legislative process are very real.

What might be called the social costs of lobbying are even more serious, although just as seldom recognized. Our leadership in a troubled world demands clear thought and common effort; but can we maintain this leadership in the face of the social tension, the group conflict, the "me first" attitude of which mass lobbying is both a cause and a symptom? The lobby-as-usual philosophy which prevailed in some quarters during World War II should serve as a grim reminder that even the deadliest of national perils does not put an end to selfish interest. As we enter the new world crisis, this experience is both a sobering lesson and an ugly portent.

The lobbying situation is basically a reflection of the state of our economy. As the management of this economy has drifted into fewer and fewer hands, so too has pressure on the legislative front been sharply intensified. The giant concentrations of corporate wealth which the Temporary National Economic Committee found to dominate the prewar economy have developed since at an accelerated pace.⁶² It is inevitable that such great concentrations of economic power should seek to extend their power to the political field as well, and we count this fact as one of the most serious problems which large-scale lobbying poses for our kind of easygoing institutional structure. Economic power provides one of the essential raw materials for successful pressure politics; the greater the power, the larger are the possibilities of success. And so to the extent that some groups are better endowed than others, there is a disparity in the pressure which these groups can exert on the policy-making process. As we

⁶² See Hearings before the Subcommittee on Study of Monopoly Power of the House Judiciary Committee, 81st Cong., 1st sess., serial No. 14, pt. 2-B, pp. 1436-1499.

said earlier, "lobbying for all," may be a sacred right but it is a right which some men can make more meaningful than others. It is said, for example, that the individual consumer and the billion-dollar corporation have equal rights before the law, but are they equal before the lawmakers?

This, then is the problem: the great political imbalance between tightly organized economic power blocs, such as big labor, big business, and big agriculture, and more casually organized interests and a loosely patterned state. This imbalance is reflected in lobbying activities as it is in other aspects of our national life.

We also count as "social costs" of lobbying the ideological conflict and public confusion which has already begun to result from the growing use of a charged public opinion as an instrument of pressure. Men need slogans, catch-phrases, and generalizations to reduce their experience to understandable terms. But these slogans should not be a substitute for thought; when they are, men have lost the first part of their ability to govern themselves. Yet this is precisely what the pressure groups and their public relations experts are about. Organizations seeking to protect a privileged status for their members at the expense of the general welfare of all Americans use terms like "socialism", "statism", and "welfare state" to forestall rational analysis of legislative proposals which they oppose. We are prepared to risk our national existence against totalitarianism, yet there are those among us who live by the totalitarian principle of the great distortion, endlessly repeated. Political freedom cannot live in an atmosphere of such hysterical oversimplification.

There are finally the economic costs of lobbying to be considered, and these are staggering. The costs of 150 years of relentless raiding of the Public Treasury are beyond estimate, but we do know that the present demands of the great interests total far more than the Nation can afford. The people must also bear the costs of lobbying as well as pay for its end results. It is ultimately the people who pay for the big front and the high-pressure campaigns that the pressure boys put forward. They pay Mr. Rumely's commissions on all receipts of the Committee for Constitutional Government; they pay for the National Association of Home Builders' round-robin telephone conferences; they pay Mr. Purcell L. Smith the \$65,000 salary which he draws as Washington representative for the private utilities; they pay the \$2,000,000 which the American Medical Association has spent in its effort to defeat national health insurance. Pressure groups are quite free-handed with both their own and with other peoples' money. The circle of lobbying is endless, and endlessly expensive.

THE ALTERNATIVES

We have sought to express above our conviction that the present system of pressure politics has assumed extraordinary proportions. We have also tried to show that this system must continue to expand, and that this expansion may challenge the existence of representative government as we have known it. What is to be done? The constitutional right of petition must be preserved, and no restriction should be imposed on legitimate lobbying.

A number of approaches to the problem have been suggested. Some of the more important of these are discussed below.

(1) It has been suggested, seldom with any clear outline for practical implementation, that Government should support those important interests which do not have adequate resources so that they can contend on an equal basis with better-financed groups. This approach might help solve the problem of the present imbalance between various groups, but it would ultimately result in more rather than less pressure on policy making; we are not persuaded that this would be desirable. There is, in addition, the difficulty of selecting some reasonable criteria on which such support could be based.

(2) Suggestions are frequently made that organized groups be given some formal place in the policy-making process. We already achieve something of this kind in the advisory councils to numerous administrative bodies and in the invitations extended to interested groups to appear before congressional committees on most major legislation. But we do not believe it would be wise to go beyond these steps. Again, there is a problem of choosing the criteria on which formal group representation should be based. In this respect, the experience of various European countries with official economic councils is not very encouraging. Would this not also be yielding to pressures rather than coping with them? Popular, geographic representation is basic in our system of government.

(3) Streamline the legislative and administrative process, for pressures thrive on Government when it becomes too complex for ordinary citizens to understand. This may point to at least a partial answer, and the Legislative Reorganization Act of 1946 and the work of the Hoover Commission indicate that useful first steps have already been taken in this direction. There still remains, of course, a considerable need for further improvements.

(4) We need stronger political parties and party discipline. This is basic. Much of the current onus placed on partisanship in politics overlooks the fact that if the parties don't accept responsibility the pressure groups will move in by default. Lobbying is no serious problem in a society where the parties can make up their minds and live up to their commitments. A stronger sense of party cohesion may be difficult to achieve in the United States, for most Americans seem to like their parties as they are. Ultimately, however, responsible parties are an essential requisite of responsible government.⁵³

(5) We need more information on lobbying and lobbyists. This, at the moment, is the most feasible approach. Every group has the right to present its case, but at the same time Congress and the public have a right to know who they are, what they are doing, how much they are spending, and where the money is coming from—in a word, full disclosure of the relevant facts. Such disclosure is thoroughly in accord with our system and principles and has already received legislative recognition in the Regulation of Lobbying Act. What is needed is that this act be equipped to fulfill more effectively the purposes for which it was designed. We shall offer elsewhere a series of detailed recommendations and amendments by which we believe that the act can be brought to a higher level of efficiency. The act as it stands is a workable and valid piece of legislation. Our recommendations will be designed to eliminate some of the misconstructions that have hampered the operation of the act. The act does not seek to

⁵³ For further comment on this point, see *The Need for a More Responsible Two-Party System*, a report of the Committee on Political Parties of the American Political Science Association. The report is printed in full in the September 1950 issue of the *American Political Science Review*.

regulate but to inform. It works on the simple premise that Congress and the public have the right to full information on those who actively attempt to influence the decisions of government.

No one of these approaches alone is equal to the magnitude of the problem we face; but together, they are the first steps which must be taken if special interest groups are not to ride roughshod over a public interest which may often be inarticulate.

There is a final catalyst which can cement these various approaches together into a solid and meaningful program. Prof. Stephen K. Bailey expressed it splendidly when he testified before the committee:

This is not a job for visionaries, although vision is needed; it is not a job for the calculating mind, although intelligence is needed; it is not a job for pressure groups, although the interest of every segment of our society must be weighed in the formulation of national and international policy. It is basically a job for people like yourself who know and understand the complexities and cross currents of political and economic pressures, but who are in a rare position to exercise moral judgments in the public interest over the conflicting claims of private groups.

Such moral judgments constitute the real answer to the existence of lobbyists. No registration law, no listing of connections and salaries in the Congressional Record, no system of party responsibility, by itself, can scratch the surface of the problem of controlling pressure politics. In the long run, a civilized morality is the sole key to the survival of democracy.⁵⁴

⁵⁴ Hearings, pt. 1, *The Role of Lobbying in Representative Self-Government*, pp. 44-45.

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OCTOBER 20, 1950.

